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Soviet Reaction to Free World's Growing Strength

Address by Secretary Acheson¹

I have come here to pay my respects to a fighting union.

To look around this room, at this great and vigorous convention of a union less than 3 years old and already one of America's most important labor organizations, is to find proof enough of what courage and determination can do.

This convention is a tribute to the hard work of your rank and file, your officers, and especially to the fighting spirit of your brilliant young president, Jim Carey.

The battle you have been carrying on during these 3 years is far more important than the question of who is to represent the electrical workers of this country. Every American citizen has a stake in your fight against communism in the American labor movement. For this fight of yours is part of the great world struggle between freedom and tyranny.

I say this, not only because it has loosened the grip of a Communist-dominated union upon one of America's defense industries, but even more because working men and women in every industrial country are prime targets for the Communists. The outcome of this world-wide struggle may hang almost as much upon the success or failure of the Communist effort to capture the labor movement as upon our strength of arms. That is why it is significant that you have shown the world how free trade unionists can hand a smashing and decisive defeat to what the Cio has called "the Communist Party masquerading as a labor union."

We in the State Department have sent to European labor leaders thousands of copies of the reports of your officers, describing how you have been fighting and winning this battle. We have carried on the Voice of America your radio program, "American Labor Answers Radio Moscow." This public-service program has been most effective

in exposing the myths and lies spread by the Communists about American working men and women. It is proof of the effectiveness of this program that Jim Carey has had the honor recently of receiving several blasts from Radio Moscow.

There is another reason why I think your fight has meaning that goes far beyond yourselves. And that is because there is a right way and a wrong way to fight communism. You have been demonstrating to the American people how to go about it the *right* way, the effective way.

Some who call themselves "anti-Communist" seem to believe that their best weapons are a strong voice and a weak conscience.

But indiscriminate denunciations and character assassination are not the way to defend democracy from communism. The people who use these weapons do not know what democracy is.

You know that the people who attack legitimate labor organizers as "Bolsheviks" make it harder, not easier, to fight the real Bolsheviks.

And those who call themselves "anti-Communist" only confuse the issue and hinder the real fight against communism, when they attack as a traitor one of our greatest living patriots, Gen. George C. Marshall.

You have shown that the effective fight against communism can and must be carried on by democratic means. The reports of the trial committees designated by the Cio to hear and decide charges of Communist domination against some of its affiliates were published by a Committee of the United States Senate² because it believed them of consuming interest to the Senate and to the American people. The Senate Committee pointed out that these reports threw a flood of light upon the strategy used by the Communist conspirators in their efforts to subvert unions as democratic institutions. The Committee pointed out something else equally and perhaps even more important. "They

¹ Made before the International Union of Electrical, Radio, and Machine Workers (Cio) at Pittsburgh, Oct. 6 (press release 781).

² *Communist Domination of Certain Unions*, S. doc. 89, 82d Cong., 1st sess.

demonstrate," said the Chairman, Senator Humphrey, "how an alert and democratically governed organization destroyed Communist infiltration by due process."

To defend democracy by antidemocratic means—by the Big Lie, by the smear, by indiscriminate accusations—will destroy democracy.

There is another good lesson for all of us in your experience, and this has special application to our foreign policy. For you have been fighting the Communists with all your might, and at the same time, you have been striving vigorously and successfully to improve the conditions of the workers and in this way taking from the Communists the arguments and claims which form their chief appeal to the unsuspecting.

As Jim Carey has said on many occasions, it isn't enough to be anti-Communist; you have to lick them with a positive program of your own. And this, in a nutshell, is the basic idea of our foreign policy.

It is no accident that the man who has done most to stiffen the backbone of the free world against communism has also cared more about, and done more about, human needs at home and abroad than anyone else.

That man is the President of the United States, Harry S. Truman.

The President has fought, not only for the defense of democracy but for the affirmation of democracy. His programs have been built upon the faith that free men can create and sustain strength of arms while they demonstrate that democracy more truly provides the way toward genuine progress.

He has held to that faith, with courage and consistency, against both the reckless and the faint-hearted. He has been unmoved by those who were ready to throw off restraint and plunge into ever-widening warfare. He was unmoved by others who would have held back the building of strength and of collective security against the Communist challenge. The President has held to a steady course.

Communists Forced To Change Tactics

I have no worry about the final judgment which history will pass on what has been done. It is of more concern to us now to note the significance of some recent events. These events, I believe, show that the Communist world is being forced to adjust its tactics to the new situation created by the growing strength of the free world.

Just how the Kremlin will adjust its tactics is not yet clear. It will become clear only from the actions of the Communist world, not from words—not even the words of Stalin or the resolutions of a Party Congress.

But this much, I think, can be said on the basis of the evidence now available. The expectation that has apparently dominated Soviet policy since

the end of the war was clearly evident at the time of the founding of the Cominform in September 1947. It was that all Europe and all Asia were ready to crumble before Soviet pressure and, if necessary, Soviet force. This expectation has been frustrated. The Communist world made important gains in the earlier part of this period, in China and in Czechoslovakia, while power factors were greatly in their favor. But as the strength and the spirit of resistance grew in the free world, the Soviet high hopes for easy conquest were disappointed.

The measures responsible for the rise in confidence and strength of the free world are familiar to you: the staunch resistance of Iran in 1946, the Greek-Turkish aid programs and the Marshall Plan in 1947, the Vandenberg Resolution in 1948, the North Atlantic Treaty, the military-aid program and the Point Four Program, both inaugurated in 1949, and more than any other single act, I believe, the resolute response by the United Nations against aggression in Korea in 1950. Then, add to this, in the past 2 years, the Japanese peace treaty, the contractual agreements with the German Federal Republic, the Schuman Plan, the European Defense Community, the treaties with the Philippines, Australia, and New Zealand, and the growing strength and confidence of the United States itself.

The central purpose of these measures was to deter war, to create a realization in Moscow that a course of aggression would be doomed to defeat. I believe that this policy is succeeding, that this realization has begun to sink in.

The failure of previous Communist tactics in several parts of the world is leading the Communists to search for new ways of gaining their ends.

In France, the serious set-backs suffered by the Communists have apparently led them to modify their line of militant action. Since 1947, the circulation of the leading French Communist newspaper has dropped from 600,000 to less than 200,000. In the same period, membership in Communist-controlled labor unions has dropped from 5,500,000 to 1,500,000. In May, when General Ridgway arrived in Paris to take over the Supreme Command of the North Atlantic Treaty forces, the Communists attempted widespread riots throughout the country, aimed at the authority of the Government. These attempts ended in dismal failure. Only the militant hard core attempted to defy the police, and in so doing brought about the arrest of Jacques Duclos, the Acting Secretary General of the Communist Party. Strikes called by the Communists to protest the arrest of Duclos also ended in failure. By the middle of June, the French Communists were giving up violence and attempting to create a united national front under the guise of joining with others for peace and for economic and social progress. They have now thrown overboard two of their most militant old-time leaders and are

pressing hard and insidiously for a united front, particularly with the Socialists and the non-Communist labor unions.

This move is an old one, a familiar one, and one which counts on the people of France having a short memory. It is quite as dangerous as, perhaps more dangerous than, violence. But it does demonstrate that violence ended in failure.

In Japan, too, Communist violence has proved a fiasco, and the decline in Communist strength has been spectacular. Before the recent election in Japan, the Communists made a desperate effort to switch from a "hard" line to one of broad cooperation. They offered a united front to the Left-wing Socialists. But the Socialists refused to be taken in.

Smashing Defeat in Japan

As a result, the Communists suffered a smashing defeat in the election. From a popular vote of almost three million in January 1949, the Communist vote dropped to about 350,000. Starting with 35 seats in the Japanese Lower House in 1949, they now have none.

In the Federal Republic of Germany, in Sweden, in the Netherlands, and elsewhere, there are similar reports of the decline of Communist power and influence. In the Philippines, the Communist Huk forces, diminished and on the defensive, no longer threaten the security of the Government. In Burma, the Communist insurgents have lost control over one area after another and are trying to draw other insurgent groups into a "united front."

Such local actions as these could foreshadow a considerable change in Soviet tactics. If they do, it will be due to our steady program of reinforcing the free world.

Don't misunderstand me. The evidence is by no means clear that such a change is already under way. Nor do I mean that, even should the Soviet Union turn from the general method of violence to the more insidious "united front," "boring-from-within" method, all its actions would be of this type. There would still be the kidnappings, the bullying and blustering notes to NATO governments, the aggressive assertions that NATO is designed and operated for war. And, most of all, there would doubtless still be particular singling out of the United States for abuse and hostility, for reasons to which I shall refer in a moment. What I am suggesting is that there are indications of a change in the Kremlin method of undermining our friends in the free world.

And if subsequent events make it clear that the Kremlin is in fact silencing the rattling of the sabers and is beginning to talk soothingly of stabilization, of "broad fronts," of "peaceful coexistence," there are several points which we shall have to keep in mind.

One is that we must not confuse a shift in

method with a change in underlying purpose. The international Communist movement has been through many shifts in method, without the slightest change in its fundamentally hostile purpose against the rest of the world.

A second point is that if such a shift does come about, it will be only because of the rebuilding of Western strength and the repeated demonstration of the free world's will to defend its freedom. We can be sure that the method of open aggression would be instantly renewed if the non-Communist world were to be lulled into complacency, into the slightest relaxation of its defensive efforts.

A third point for us to keep in mind is that a genuine reduction in tensions will require more than a few pronouncements by Soviet leaders about "peaceful coexistence." It will take action. One such opportunity for action will come within the next 48 hours. The Communist delegates are to return to the truce table at Panmunjom to give their reply to the recent proposals concerning prisoners of war made by General Harrison.³

Patience and Ingenuity at Panmunjom

I do not need to repeat to you the fact which is clear to everybody—that throughout the many months of armistice negotiations we have drawn on every resource of patience and ingenuity in order to reach an honorable settlement. We will not compromise with the basic principle that no prisoner shall be forced against his will to return to the Communists.

The proposals which General Harrison made, and which the Communists are now to answer, seem to me to make every reasonable effort to answer the objections they have brought up in the negotiations. They have claimed that the United Nations was trying to force prisoners to say they would resist being returned. To meet this, General Harrison's proposals even include the ingenious device that prisoners should be taken in small groups into a neutral area and there, free of control by anyone, should be allowed to walk north or south. It does not seem possible to offer anything more reasonable or more fair. The world will be watching to see what the Communists do about it. Action, rather than argument and quibbling, is what the world expects of them if their talk about peace has any relation to their intentions.

There is also opportunity for Soviet action for peace in Germany and Austria and all the other places around the world where the Communist forces are now engaged either in violence or in the obstruction of peace.

Finally, and most importantly, there is this point for us to think about. Although we would welcome any step by the Soviets—even a tactical one—that reduced the danger of hostilities, we

³ For text of the proposals, see BULLETIN of Oct. 6, 1952, p. 549.

must not delude ourselves that our task will be any easier than it has been. Even though this shift, if it occurs, would represent a response to the success of our previous efforts, we can't waste time in congratulating ourselves. The hostility of purpose on the part of the international Communist movement will still be there. The steady increase of Soviet military strength will continue, even though it moves on carpet slippers instead of hob-nailed boots. We can expect continued, and even intensified, efforts to subvert, to drive wedges between the free nations, to exploit the real difficulties with which the free nations are confronted. Indeed, this is the clear warning to us of the most recent statement by Stalin and of the pronouncements at the Soviet Party Congress which opened yesterday in Moscow.

Soviet Efforts To Isolate U.S.

The tasks of diplomacy in the period ahead may, if anything, be greater than those in the period through which we have just passed. We should, and I believe that we shall, be quick to discuss any problems about which the Soviet Union wishes sincerely and honestly to negotiate. Unhappily, the Soviet Government has shown no such sincere and honest desire. As the recent exchange of notes with them regarding Germany⁴ has so clearly shown, their desire to meet with us was not for the purpose of solving the problems involved but to use the meeting as a forum for propaganda to defeat treaties now pending before Western European Parliaments. In this situation, we shall have to continue our vigilance and our efforts to build strength against aggression; and we shall have to grapple with the tough and complicated problems within the free world. Recently, in talking to the machinists,⁵ I pointed out—and I think this is even clearer now than it was then—how great is the emphasis placed by the Soviets on the possibility of political and economic disintegration, in Europe, in Asia, and in Africa, and especially among the former colonial territories.

Disintegration and division—these may become the principal reliances of the Soviet Union in the period ahead. This is one of the indications of the unwarranted and invalid charges made by the Soviet Government last week against our Ambassador, George Kennan. Whatever else may lie behind the Soviet attack on Ambassador Kennan, it is abundantly clear that his wide knowledge of the Soviet Union, of its history, of its peoples, and of the Russian language worries and disturbs the Soviet rulers. The Iron Curtain is to remain tightly closed. But it is also clear from this action, and from the continuation of the violent and vicious "Hate America" propaganda, that the Soviet rulers, even though they may turn a sunny smile on the rest of the world, are prepared to

continue their expressions of hostility toward the people of the United States in an effort to isolate us, to divide us from our allies.

We can face this challenge with confidence. The cause of freedom has infinite resources of will and of strength. We have no reason to doubt that whatever hope and expectation the Kremlin has for disintegration and division will prove to be as vain as its hopes and expectations for the crumbling of Western resistance.

But the outcome is not automatic. It depends upon what we do.

These developments which I have been discussing come at a time when the people of the United States are faced with a fateful choice, a choice between two attitudes toward the world situation, a choice between two courses of action.

One course which has been offered to the American people means facing up to our responsibilities seriously and honestly, without any sugar-coating, without trying to deceive ourselves about how hard and how long the road ahead may be. This course means facing the hard responsibilities, as well as the benefits, of the defense of Korea; it means facing squarely up to the costs of our defense programs, and what this means in military service and in taxes.

The other course offers escape from responsibility. It offers a return to the days when our problems were simpler. It offers short cuts and tax cuts. It promises to bring the boys home (and how familiar that sounds). This course appeals to all our natural reactions to the burdens and anxieties of the job before us. This course fulfills the wish we all share, that our problems were simpler and easier than, in fact, they are. This course is made to appear short and easy. But around the corner, it comes to an abrupt end, at the edge of the cliff of disaster.

Many of us, obeying a natural human instinct, have the feeling that, after all, we occupy a favored position with destiny and that there can be no other outcome than a happy one to our problems. This has not, however, been the judgment of history on nations that failed to meet the problems of their times.

The span of some states is long and of others, short. One of the lessons of history is that the length of that span depends, not merely on natural and human resources, but also on the capacity and willingness of people to appraise intelligently the dangers amid which they live and to act with vigor, reason, and character.

The Empires of Babylon and of Assyria, each of which dominated for several hundred years that vital center of civilization in the Middle East spreading out from the valley of the Tigris and the Euphrates, appeared to be immune to decay or conquest. Each of them in turn gave way before invading hordes of more vigorous people.

The individual city states of ancient Greece, in which the lamp of civilization burned so brightly

⁴ *Ibid.*, Oct. 6, 1952, p. 517.

⁵ *Ibid.*, Sept. 22, 1952, p. 423.

for many generations and to which we are so heavily indebted, were increasingly torn with internal dissensions and were fatally weakened by persistent rivalries and recurrent wars among themselves. Our word "demagogue" comes down to us from the men of Athens who induced their fellow citizens to destroy the alliance of the Greeks, of which Athens had been the leader. When this mutual security alliance had been destroyed, the Greek states were overcome by the less civilized but more disciplined power of Macedon.

High Price of Irresolution

However great our power and our prestige among nations, we are not immune to the consequences of weakness or error. We no longer have a cushion of time and a cushion of space to protect us, and the price of irresolution or self-deception may not only be the loss of our privileged position but the submergence of our civilization in a new age of darkness.

But this Nation has not weathered the ordeals of Valley Forge and Gettysburg and Guadalcanal to fall prey now to a weakness of will. The outward aspect of our national life may now be riven with faction and dispute, but beneath the surface the pulse is strong and sure. The American people have not lost the honesty and courage to face without flinching this generation's hard trial.

The course we are on, though it offers no easy promises, though it may be hard and it may be long, is not a bleak one for those who really believe in freedom and in the power of freedom.

The mark of that power may be seen in the distance we have already come in strengthening the free world and in thwarting the Communist dream of easy conquest.

Even more, the mark of that power may be seen in the incredible lengths to which the Communists have gone to keep their people from escaping.

In the satellite countries bordering on the Western democracies, along many parts of the border, strips of land more than 50 yards wide have been

completely cleared of trees, bushes, even tree stumps and structures of any kind which could provide concealment. Observation towers have been erected, spaced from 800 yards to 1,000 yards apart. Rows of barbed-wire fences charged with electricity parallel the border in places and are interspersed with land mines and signal rockets which explode on contact. There are slit trenches manned by guards equipped with searchlights and high-powered rifles with telescopic sights. In some areas, double patrols assisted by police dogs are constantly on the move. Where there are rivers, the police unceasingly patrol by boat.

Why do they do this? Is it to keep the outside world from flocking to their new paradise?

You know that it isn't. The barbed wire and the machine guns are attempts to keep the knowledge of freedom out, and those who, despite all suppression, have that knowledge, in. But despite the barriers, despite the threats of punishment and reprisals, the number of people who manage to escape through the Iron Curtain into Western Europe is still between 400 and 500 a month. And in Germany, where the barriers have not yet been completed, the number of Germans who flee the Soviet zone into Free Germany averages between 600 and 700 a day.

There is no greater force on the face of the earth than man's desire to be free.

Freedom is our cause. It is what we are striving with all our might to defend, and it is our greatest source of strength.

This has been true from the very beginning of America. Is it still true of Americans? Think this over; and remember that we have always had patriots who had no heart for the long pull. They were vocal in 1787, and 1863, and they're still vocal. Is freedom worth 1 or 2 years of high taxes and meeting force with force, but not 4 years, or 10, or 20? Is there a new American principle that after a good try at defending our freedom and all that one word means, we give up, sell America short, and get taxes down? Think it over. It's worth a lot of thought.

Korean Armistice Negotiations Suspended

PRESS CONFERENCE STATEMENT BY SECRETARY ACHESON

Press release 786 dated October 8

As was made clear by General Clark's statement, the armistice negotiations at Panmunjom are not terminated. After the Communists rejected all of the latest proposals made by the U.N. Command delegation, General Harrison called a recess. The duration of the recess is entirely up to the Communists. General Harrison made it clear that the U.N. Command delegation continues ready to negotiate and will again meet with the Communist delegation whenever they are ready to accept any one of our numerous proposals or make a constructive proposal of their own for an honest settlement of the prisoner-of-war question. However, the U.N. Command delegation will not continue to go to Panmunjom merely to be subjected to Communist abuse and propaganda harangues.

For many months we have been attempting to negotiate an honorable armistice with patience and sincerity. The three alternative proposals which General Harrison presented on September 28¹ represented a further earnest effort by the United Nations to find an acceptable solution to the prisoner-of-war question. All three of those proposals preserve the humanitarian principles of nonforcible repatriation. Any one of these proposals could lead to an armistice.

The Communists have claimed that the U.N. Command has forced prisoners to say they would resist repatriation, although, in fact, the opposite was the case. The U.N. Command pointed out to each prisoner the possibilities that his family might be persecuted if he refused repatriation and that the U.N. Command could make no promise whatever as to the ultimate fate of those who refused to go home. General Harrison's proposals even included the device that the prisoners should be taken in small groups to a neutral area and there be released to walk north or south. Certainly, nothing could be more fair or reasonable. If the Communists want to settle this issue, our latest proposals point the way.

We have submitted numerous proposals throughout the negotiations and have thoroughly

explored every possible solution, while the Communist negotiators have utilized the negotiating table as a sounding board for false and vicious propaganda. We have tried everything we can think of to meet the considerations raised by the Communists.

We have said and will continue to say that we shall not compromise on the principle that a prisoner should not be forced to return against his will. For us to weaken in our resolve would constitute an abandonment of the principles fundamental to this country and the United Nations. We shall not trade in the lives of men. We shall not forcibly deliver human beings into Communist hands.

General Harrison's action last night does not represent a loss of hope in an armistice; we believe that it is an affirmative step toward obtaining an armistice. The Communists must now recognize that the position of the U.N. Command is firm as well as right. The Communists must now recognize that they cannot continue to toy with the hopes of the world for a Korean peace. We continue to believe that a humanitarian solution to the prisoner-of-war question can be found, and that this can be done at Panmunjom.

As General Clark said this morning, we remain ready at any time to conclude an armistice acceptable to the conscience of free peoples. It is up to the Communists to show whether they too want such an armistice.

STATEMENT BY GENERAL MARK CLARK, UNITED NATIONS COMMANDER IN KOREA²

Telegraphic text

1. The United Nations Command [Unc] has striven earnestly and patiently for 15 months to end grievous costs in Korea. Guided by those basic ideals of mankind which are the foundation of the United Nations, it has sought to persuade the Communists to join in an armistice both reasonable and honorable as a step toward restoration of peace and stability to the Korean people.

2. However, representatives of the North Korea Communist regime and the Chinese Communist forces who entered the conflict from Red China refuse to allow the issue of prisoners of war to be

¹ BULLETIN of Oct. 6, 1952, p. 549.

² Made at Tokyo on Oct. 8.

resolved in accord with moral dictates which most of humanity holds to be fundamental. They, and presumably those who stand behind them, refuse to recognize that the individual has certain inalienable rights. They refuse to acknowledge that many of their men now in our hands would resist to the death any effort to return them to Communist tyranny.

3. The United Nations Command has made repeated and earnest efforts to settle this question. We have offered a number of proposals any one of which would lead to an early and honorable armistice. On September 28 the Unc delegation offered three new proposals. This presentation culminated 8 months of constant effort to solve the prisoner-of-war question.

4. Today the Communists rejected these proposals. They have still made no constructive proposal of their own and have again continued to use meetings at Panmunjom solely for vilification and false propaganda. By doing so they showed clearly that they have no interest in an honorable solution to the prisoner-of-war question. They showed that they are without compunction in violating fundamental human rights if they affect the fragile prestige of the Communist creed. I can only conclude that they do not sincerely desire an armistice.

5. After the Communists clearly rejected our latest proposals (and again launched a propaganda attack), General Harrison, in accord with instructions, informed the Communists that the Unc delegation will not continue to go to Panmunjom merely to be subjected to abuse and propaganda harangues. He told the Communists that the Unc delegation continues ready to negotiate in good faith. The numerous proposals that the Unc has offered remain open. The Unc delegation told the Communists that it stands ready to meet with them when they are ready to accept any one of our numerous proposals or to make in writing a constructive proposal of their own for honest settlement of the prisoner-of-war question. Meanwhile, liaison officers will remain available for consultation at any time.

6. We continue ready to conclude an armistice acceptable to the conscience of free peoples. It is up to the Communists to show whether they want such an armistice.

STATEMENT BY GENERAL HARRISON, CHIEF U.N. NEGOTIATOR¹

Telegraphic text

1. On September 28 the Unc delegation reviewed proposals that our side had previously offered you and, in addition, submitted three new proposals for your consideration. It is clear that you have categorically rejected our proposals.

2. On 25 June 1950 the North Korean Army

¹ Made at Panmunjom on Oct. 8.

invaded the Republic of Korea. These facts were attested to by the U.N. Commission in Korea at that time, a commission composed of representatives from Australia, China, El Salvador, France, India, the Philippines, and Turkey.

3. With the sole objective of repelling the armed attack and restoring internal peace and security in Korea and thereby removing real danger to the peace and security of the world, the U.N. came to the assistance of the Republic of Korea and opposed you on the battlefield. It is with this same objective of restoring peace that Unc has ever since 10 July 1951 made every sincere effort toward an honorable armistice which would bring an end to hostilities in Korea.

4. On 28 April the Unc offered a proposal to facilitate resolution of outstanding issues preventing armistice. By this proposal the Unc offered to give up its very reasonable insistence that there should be no rehabilitation and construction of military airfields if, and only if, you would accept the humanitarian position of the Unc on prisoners of war. You have, however, continued to insist that the Unc must use force to drive unwilling prisoners of war back to your control. It should by now be clear that the Unc will never agree to any proposition which violates its basic principle of no forced repatriation. Consistent with the principle of no forced repatriation, the Unc has offered you numerous alternative proposals, any one of which would provide a humane and honorable agreement. You have rejected all these proposals.

5. Free peoples of the world, whom the Unc represents, respect human rights and insist on the individual enjoying the fundamental freedoms. Your side apparently considers that the individual is the property of the state, as though he were an inanimate and inarticulate possession. Although you have described your position as adherence to a principle, it is illogical to call your position a principle, for yours is a wholly unprincipled, cruel, and oppressive position. In fact, only a short while ago you clearly indicated that if the numbers of prisoners of war to be returned to your control were sufficiently large you would be willing to accept an armistice, even though there should remain numbers of your people who would not be returned. Evidently you were willing to bargain and haggle over the number of men to be returned to you, as though they were so many sheep. You completely ignored their rights as men. It would appear that your so-called "principle" is only a convenient invention. On the other hand, the concept of the dignity and worth of the individual which underlies the position of the Unc is a fundamental ideal and principle upon which the U.N. was founded and which cannot be surrendered for the mere sake of temporary expediency. This is a truth that you seem totally unable to comprehend.

6. Your objections to our principle of no forced

repatriation have never been consistent. At one time you appeared to have agreed to our use of the principle when you supplied us with an amnesty declaration to be read to prisoners of war in our custody prior to screening. As you know, we used your amnesty declaration and conducted screening in such a manner as to encourage the maximum number of your personnel to return to your side. When results of the screening were announced, and it became apparent to you that the riots which you inspired in our prisoner-of-war camps did not deter large numbers of your former personnel from renouncing communism, you contended that the screening was not fairly conducted.

When we offered to conduct rescreening and let you observe the process, or have it conducted by impartial nations, you suddenly announced that you would not agree to any type of screening by anybody, anywhere, or under any circumstances. Thus you have completely reversed your previous position and you denounce our humane policy as one of "forced retention" of prisoners of war. It is apparent that you have changed your position because you are not willing to admit the incontrovertible fact that large numbers of your former personnel violently oppose returning to your side. Free peoples everywhere recognize this fact. They also recognize that the Unc has no desire to retain or to make any particular disposition of any prisoner of war unwilling to be repatriated.

7. You have attempted to camouflage the unreasonable of your stand by associating it with the Geneva convention of 1949. In fact, it is the position of the Unc which is consistent with the principles of the Geneva convention, and with its primary concern for the rights of the individual prisoner of war. You, however, have tried to deceive the world into believing that you are concerned with the rights and welfare of individuals. You have used these conferences as a forum for the most vicious types of propaganda. You have not hesitated to use lies, half truths, and distortion to further your ends.

8. In contrast to what you would have the world believe, that you are champions of the Geneva convention, your actions belie your words. From the beginning of these conferences you have obstinately and inhumanely refused to agree to immediate exchange of seriously sick and wounded prisoners of war. You have consistently placed your prisoner-of-war camps close to military targets. You have refused to turn over the names of captured Unc personnel to the International Committee of the Red Cross, and you refuse to allow the ICRC or other impartial visitors to your prisoner-of-war camps. You will not even agree to the humane action of allowing prisoners of war to receive relief packages.

This is your record. You have talked loudly

about humane treatment of prisoners of war but you have not put any of this fine talk into practice. Yet you are well aware that the Geneva convention expressly provides for each of these measures which you have ignored, measures designed solely for the relief and well-being of prisoners of war held by both sides.

9. The greatest contradiction of all is your insistence that all prisoners of war in our custody must be returned to you regardless of their own desires, whereas you admit that many thousands of our personnel whom you boasted of having captured early in the war were incorporated in your armed forces. In view of your record, it is fraudulent for you to insist that you are holding out for an armistice based on the Geneva convention.

10. Another example of your inconsistency is your insistence that Chinese soldiers fighting in Korea are volunteers. You strongly support the right of these individuals to volunteer in the North Korean venture, but now you adopt the inconsistent position that these same individuals in custody of the Unc have not the right to refuse to return to your control.

11. Unc has made honest efforts to achieve an armistice. We have offered to exchange the approximately 83,000 of your former personnel held by our side whom we can repatriate for Unc prisoners of war held by your side. Moreover, we have offered to agree to any one of many possible arrangements for impartially determining the attitudes of prisoners of war on repatriation. We have indicated our willingness to send to your side all additional prisoners of war who may change their minds and accept repatriation. We have presented to you every possible means for solving this question honorably.

12. The Unc has no further proposals to make. The proposals we have made remain open. The Unc delegation will not come here merely to listen to abuse and false propaganda. The Unc is therefore calling a recess. We are not terminating these armistice negotiations; we are merely recessing them. We are willing to meet with you again at any time that you are ready to accept one of our proposals or to make a constructive proposal of your own in writing which could lead to an honorable armistice. Our liaison officers will be available for consultation and for transaction of their customary duties.

13. I say again that it remains the sincere hope of the Unc that an honorable armistice can be realized. We will meet with you whenever you indicate that you are willing to accept one of our proposals or have presented in writing the text of any constructive proposals designed to achieve an armistice which you desire to make.

14. I have nothing more to say. Since you have offered nothing constructive, we stand in recess.

U.S. Rejects Soviet Charges Against Ambassador Kennan

Text of U.S. Note of October 8¹

Press release 790 dated October 8

The receipt is acknowledged of the note of the Ministry of Foreign Affairs of October 3² informing the United States Government that the Soviet Government considers Ambassador George F. Kennan as *persona non grata* and requesting Mr. Kennan's immediate recall. The Soviet Government in its note bases its attitude on statements made on September 19 by Ambassador Kennan in Berlin to representatives of the press which the Soviet Government characterizes as "slandorous attacks hostile to the Soviet Union in gross violation of generally recognized norms of international law."

Ambassador Kennan's statement accurately and in moderate language described the position of foreign diplomats accredited to the Soviet Government. It is this treatment of diplomatic representatives, systematically applied over a period of years by the Soviet Government, which grossly violates the traditions and customs in international intercourse developed over generations.

In the light of the above, the United States Government cannot accept the charges made by the Soviet Government as constituting valid reasons for acceding to the request for the recall of Ambassador Kennan.

Correspondence With Senator Knowland of California

*Senator Knowland to Secretary Acheson,
October 4*

Telegraphic text

In view of Soviet action relative to Ambassador Kennan strongly urge that the Soviet Ambassador be sent home and recognition of uncivilized Communist regime supplying arms and equipment to Communist aggressors in Korea be withdrawn. This action will lessen espionage and fifth column activities of Communists in the United States.

WILLIAM F. KNOWLAND
United States Senator

*Secretary Acheson to Senator Knowland,
October 7*

Press release 789 dated October 8

I have received your telegram of October 4 urging that in retaliation for demanding the recall of Ambassador Kennan, the United States Government take similar action with respect to the Soviet

Ambassador here and "withdraw recognition" of the Soviet Government.

I assume that what you have in mind is breaking diplomatic relations with the Soviet Union.

You will, of course, recognize that the breaking of diplomatic relations would be a step of the utmost seriousness with world-wide consequences and that many factors other than those cited in your telegram would have to be carefully considered in connection with a decision of this kind. I am sure you will agree that the United States national interest and the interest of those who look to us for wise and calm judgment must govern our actions.

We are continuing to examine all aspects of our relations with the Soviet Government and your recommendations will be borne in mind. Meanwhile, you will have noted that on October 3 I stated³ that the Government of the United States does not accept as valid the charges made by the Soviet Government against Ambassador Kennan and that the factual statement he made in Berlin will be recognized generally as accurately reflecting the treatment accorded foreigners by the Soviet Government in direct contravention of established international usage.

Departure of Sir Oliver Franks

Statement by Secretary Acheson

Press release 782 dated October 3

It is with real and deep regret that we have learned that Sir Oliver Franks will leave his post as British Ambassador to the United States which he has filled so ably since 1948. I have greatly enjoyed working with him. His great ability, his keen perception and knowledge of the United States and its people have enabled him to carry out his responsibilities with outstanding success. We shall miss him as a warm friend and as a distinguished representative of his country.

I know that the countless friends of Sir Oliver and Lady Franks in Washington as well as those who have met them on their many tours throughout the country will join me in regretting their departure and in extending to them all good wishes for the future.

Sir Roger Makins, who has been named to succeed Sir Oliver, will find a hearty welcome on his return to this country. The knowledge gained during his earlier tours of duty in Washington and his recent assignment as Deputy Under Secretary of State, Foreign Office, particularly qualify Sir Roger for his future duties. He will find many old friends to welcome him back to Washington.

³ *Ibid.*

¹ Delivered to the Soviet Ministry of Foreign Affairs by the American Embassy at Moscow.

² BULLETIN of Oct. 13, 1952, p. 557.

Paving a Road to Peace

by Wilson Compton

*Administrator, International Information Administration*¹

You have invited me to speak to you about the United States International Information Program. As leaders in public affairs in this country, you should have the means of knowing where our country stands on issues vital to our national security and vital to our effort for peace. No group of citizens is better able to help find the road to peace than men who have themselves been in war. You do not want generalities. You want facts, not merely statistics.

The world-wide battle of ideas in which we are engaged is for the most part forced upon us by the aggressive policies and tactics of international communism. As you see, the propaganda with which we are contending represents an unprecedented low level of political unmorality stemming from the Kremlin. It is not a "featherduster" campaign. The U.S. Government knows it. You know it. Many of our citizens do not fully comprehend it—or else think that the *sole* answer to it is either bigger armaments and armies or that we hide behind our seas and our mountains. This is all a part of the problem of our overseas information program.

The International Information Administration (IIA) is an information and propaganda agency. It is not a propaganda agency in the "cloak-and-dagger" sense. Its activities are overt. It is not responsible for the formulation of U.S. foreign policy. That is a responsibility of the Congress, the President, and the Secretary of State. It must, of course, operate within the framework of U.S. foreign policy but it has its own specific objectives.

We are charged with the duty of promoting mutual understanding between the Government and people of the United States and the governments and peoples of other countries. We seek to fortify the deterrents to the spread of international communism. We seek to encourage the spirit of confidence and hope and to strengthen the sense of

determination and interdependence amongst the peoples of the world who are free or who seek freedom. This means exposing deceptions, distortions, and lies about the United States as well as promoting a better understanding of American life and institutions and of the American peoples' earnest desire for peace. We seek the support of peoples everywhere for the policies and programs which the United States considers vital to its security. This, gentlemen, is a rather formidable assignment.

In this battle of ideas we have both advantages and disadvantages. One of our major disadvantages is psychological. We are trying to build something. International communism is trying to destroy something. Construction is a slower process than destruction. It takes patience as well as resourcefulness; and we Americans are not a patient people. We get "hot and bothered" when we can't knock out at one blow something that we don't like. But we can't knock out ideas that way.

I have often been asked: "How long will this propaganda war last?" That is a natural and a sensible question. But no one knows the answer. No one can honestly say how long it will last. It *may* last indefinitely. I should think it would at least be sensible for the American people to act on that assumption—and not be caught off guard.

Psychological warfare is not like military warfare. We are dealing with intangibles. We cannot, through sheer might, force a quick result. We must work for strategic positions. The international Communists are playing their game of power politics with chess-like strategy. They advance when situations are favorable, retreat when they are unfavorable. But always they keep at it. No fertile propaganda issue is ever "dead," as witness their revival a third time of the "germ warfare" propaganda attack which never from first to last had any basis in fact.

We will of course eventually win this war of ideas. But the sooner we learn to look at it through the eyes of a chess player the sooner we will get ahead. We must be prepared to meet

¹ Address made before the American Legion National Executive Committee at Indianapolis, October 11 (press release 797). For text of address as actually delivered, see Department of State publication 4757.

fantastic propaganda wherever it breaks out. This is not easy. In fact it is very difficult for Americans to comprehend the unprecedented low levels of political unmorality which nowadays motivate and largely activate the international Communist propaganda. It is even more important that we find the basis and the means of positive attack. In the war of ideas—as in the war of guns—a good offense is a better defense than a good defense. We must learn that.

As a society of free people, we are dedicated to the proposition that the State is the servant of the individual, not the individual the servant of the State. Our concept of freedom has deep spiritual and moral roots.

As a people we believe in God; we believe in the dignity of the individual; we believe in truth, in justice, in humaneness. By and large we are "good neighbors."

These you may say are our *ideals* and so they are. Yet they are the source of our strength as a nation. We do have ideals and we do try to live by them. In the force and power of this fact lies our great advantage over the Kremlin. It is less expensive to maintain a "big truth" than to establish a "big lie."

The contradiction between what the Soviets say and what they do is becoming increasingly apparent, even behind the Iron Curtain. Here is one example: Only a few days ago a Rumanian Olympic athlete, who fled the Iron Curtain during the recent games in Helsinki and is now in Western Germany, told his people in a VOA broadcast:²

I am filled with deep emotion in speaking to those in my country from this radio station which I myself have listened to for years with hope and confidence. . . . It is this unmasking of their deception that the Communists are most afraid of. For it is this knowledge which gives the lie most effectively to Communist propaganda and which will most strengthen the captive people's will to resist.

Weapons To Combat the Big Lie

Within the framework of our governmental purposes and our American principles, how is the International Information Administration going about its task of combatting the Big Lie, building unity and strength in the free world, and promoting the security of the United States?

What are the tools we are using? They include about every means of communication.

The International Broadcasting Service, popularly known as the "Voice of America," broadcasts programs in 45 languages on an around-the-clock schedule for a daily total of over 50 program hours to a potential overseas audience of 300 million persons.

The International Press Service provides a daily *Wireless Bulletin* to 10,000 foreign newspapers with a reading audience of 100 million in 88 coun-

tries. Last year it distributed about 200 million pamphlets prepared here or overseas to fit specific groups in specific areas.

The International Motion Picture Service produces films in 42 languages which are exhibited in 87 countries to approximately 250 million persons annually.

We maintain overseas 195 "information centers" in 62 countries. These provide information on all aspects of American life.

We provide selected persons from overseas an opportunity for first-hand knowledge of America and Americans through the exchange-of-persons program. Last year the U.S. Government sponsored 7,300 educational-exchange grants. Several thousand more educators, students, teachers, government and labor leaders, and business and professional men visited the United States under the sponsorship of more than 500 private organizations.

Each of these tools has its unique advantages in reaching particular types of audience, or to convey a particular type of message. Their use requires study, careful planning, constant experiment, and constructive imagination. We are seeking constantly to improve their use. Also gradually we are getting better guidance.

To pull together IIA's activities and the other programs with which the United States is fighting the cold war, a Psychological Strategy Board has been set up to determine over-all strategic policies, objectives, and programs. This board includes representatives of the Departments of State and Defense and the Director of the Central Intelligence Agency. The IIA uses its guidances.

To facilitate the accomplishment of these objectives overseas, the widest reasonable latitude is now being given our overseas missions and their staffs of information officers. Our world-wide information program is now a composite of 89 individual country plans. These programs are under constant review. We are gradually getting more objective appraisals of our own work. We are not yet hitting the target everywhere. But we have a good plan; on the whole we have a good staff; and the operations, although still ineffective in some respects, are improving.

This year we are trying an experiment in four selected countries, Italy, India, Siam, and Venezuela. In each of these countries our overseas staff is determining its own program, subject only to general policy supervision from Washington. In effect we are asking the field to "tell" Washington instead of Washington "telling" the field. If this experiment proves successful, we will try it more generally.

Enlisting Aid of Local Groups

We are trying, of course, to get close to the people whom we are trying to reach and influence. We are trying, with considerable success, to encourage local groups overseas to spread our mes-

² BULLETIN of Oct. 13, 1952, p. 563.

sage for us. As you pointed out in your resolution regarding psychological warfare adopted at your recent national convention, "More and more of the propaganda tasks [should] be entrusted to foreign nationals. . . . These people will be understood and believed, where Americans sometimes meet with skepticism."

If you were to project in graphic form the successes and reverses of the contest of ideas or the "propaganda war," it would show an irregular line moving gradually but steadily upward.

In Western Europe, the Soviet objective has been to tear down, confuse, and divide; our objective is to expose the Soviet lies and distortions about the United States and its intentions and to encourage strength through unity, peace through order, and economic security through productivity.

In 1946 and 1947, conditions in Western Europe were as the Soviets would like. The European economy had been losing its fertility, had become progressively less productive. The spirit of Europe was broken. People were hungry. Thousands in misguided desperation were joining the Communist Party. Today the picture is brighter. In France, for example, the circulation of the Communist newspapers has dropped enormously. *L'Humanité*, the leading French Communist daily which had a circulation of 600,000 in 1947, now has a circulation of less than 200,000. Membership in Communist-controlled labor unions has fallen even more—from 5,500,000 in 1947 to 1,500,000 in 1952. Through NATO and the European Defense Community, the military integration of Western Europe is on the way to realization. The economists' dream of a solvent Europe is gradually materializing through the Schuman Plan and the Organization for European Economic Cooperation.

The Kremlin understands as we do the importance of European integration to the free world. As Europeans, encouraged by our words and deeds—and our financial help—began to throw off despair and apathy for hope and faith in Europe's free future, the international Communists have redoubled their propaganda efforts. When they found themselves on the defensive, they launched their fantastic "Hate America" campaign. That is where we now stand.

In 1951, according to reliable estimates, the Soviets spent the equivalent of 150 million dollars in France alone in an effort to break down what we had built up. This is more than the United States spent last year on all of its world-wide information programs. Before General Ridgway arrived in Paris to take over the NATO Command, the Communists laid down a barrage of lies, criss-crossing France in a vicious propaganda effort to drive General Ridgway and all American troops from the Continent of Europe. The U.S. International Information Administration at the same time, in cooperation with the Mutual Security Administration, was working to promote support

among Europeans for General Ridgway and the goal of mutual security which he personified. We answered the Red propaganda with the simple facts. We were merely fortifying our "Campaign of Truth."

Our Campaign of Truth in Europe was a success. General Ridgway is still in France. The promised Communist demonstrations were a failure. The chain of events which followed General Ridgway's arrival in Europe so discredited the Communists that a few weeks thereafter the Central Committee of the French Communist Party met for a session of self-criticism and analysis of what it called the Party's "past mistakes and weaknesses."

Left-handed Praise from the Soviets

Our propaganda activities in Western Europe have come in for considerable, shall we say, *left-handed* praise from the Soviets themselves. *La Nouvelle Critique*, a French Communist magazine, devoted 28 pages to a description of the International Information Administration's program in France. Under the title, "The American Occupation in France is also an Ideological Occupation," this spokesman of international communism wrote in part:

. . . As early as 1948 the American services organized sessions of studies for professors of English in the Lyon area. These meetings were described as cultured manifestations—but in the end, they were crafty means of propaganda. A complete program of seduction was put in order, contacts in person and in small gatherings, invitations by the American services . . .

Western Europe is only one battle front. What are we doing in other parts of the world? Our problem in Eastern Europe has been technical as well as psychological. The captive states and the Soviet Union are reached through the Voice of America. At present, radio is not only our best means of reaching behind the Iron Curtain; it is our only means. We have had to build new facilities powerful enough to overcome Soviet jamming. Our Munich Radio Center, which went into operation last October, and the radio ship *Courier*,³ broadcasting from Mediterranean waters since August, have improved our technical position in the Soviet-dominated world. But we still have a long way to go. Despite hundreds of expensive jamming devices used by the U. S. S. R., the Voice of America is penetrating the Iron Curtain, about 20 percent in the large urban centers of the Soviet Union and about 75 percent in the more remote communities.

The Soviet Union's grip on its captive states has tightened. Experts seem to agree that the feasibility of local uprisings in Eastern Europe at present is remote. So, our message of hope stresses

³For an article on the *Courier* see *Field Reporter* for September-October 1952, Department of State publication 4714, p. 27.

the steadily growing strength of the free peoples, U. S. rearmament for security, the American public recognition of the evils of communism, its threat to the security of the free world, and the profound wish of the American people to live at peace.

In our feature broadcasts, we try to influence the youth of Eastern Europe. Under the Soviet system of education, the young people of these countries are taught a twisted version of their own national heritage and little knowledge of the great works of their own culture. They hardly know the standards of good usage of their own national languages, for a part of the Soviet system is to debase the language of a conquered country and thus gradually to weaken the sense and the pride of nationality.

But the most potent resistance to Communist domination in Eastern Europe is in its deep-seated religious interest. Religion is an integral part of the national history of these countries. Yet today most Eastern Europeans are unable to join in their chosen worship of God. The Communists, with their inveterate mistrust of all religion, have destroyed their churches and jailed their priests. So we try to fill a spiritual need of these people, to make life in the present more tolerable, and to encourage faith and hope for the future.

The Mecca Airlift

In the Near East, Africa, South Asia, and the Far East are the great underdeveloped nations of the world and most of the nations which have recently achieved independence. A great number of them are rich in natural resources. This is not an unmixed blessing. Years of colonial status have made these countries, if not unfriendly, at least suspicious of the West. All phases of our relations with these countries require particular understanding and tact. Our greatest psychological gain in the Arab world in many years was the recent "Magic Carpet" of the U.S. Air Force, a gigantic airlift which enabled 3,500 devout Arabs to get to Mecca in the great Moslem pilgrimage this year. During the "hadj" or annual spiritual gathering of Moslems in Mecca, the Voice of America broadcast:

The open road to Mecca—the road from free countries—was packed to capacity last week with sincere men and women of the Moslem world. . . . Free governments of the world helped pilgrims reach Mecca in time . . . the road from Stalin-land to Mecca has been blocked for the last 30 years when Marxist godlessness endeavored to . . . make the world unsafe for the devout . . . Moslems remember . . . that the Kremlin had . . . the effigy of Prophet Mohammed burned at the hands of the Soviet League of Militant Atheists. . . .

Today, in these areas, we are demonstrating modern solutions of age-old problems. Our help with irrigation, water supply, agriculture, public health, and sanitation has again created in the countries of this vast area the knowledge that the

United States is not the imperialist warmongering monster which the Soviets have been charging.

In India suspicion of the West still runs deep and the promises of international communism are inviting. The job of the IIA has been slow and tedious.

A few years ago the Indian press was highly critical of every move we made. But today we find friendly editorials in the Indian press, such as this one in *Urdu Milap*. Referring to Ambassador Bowles' statement that the United States is anxious that the great experiment in democracy in India should not fail, the paper said:

This is precisely the aim of U.S. aid. Neither more nor less. And anyone within his senses can say that there is nothing wrong with this American objective. . . . If we want to have Communist dictatorship in India, if we want to destroy the individual's freedom, if we want to oppose democracy, we must certainly refuse to accept U.S. aid. But if we do not want to do that, it becomes our duty not only to accept the aid *with thanks* but make our country financially, industrially, and agriculturally so strong as to become the defender of other democratic countries.

A news story in the New York *Herald Tribune* datelined Tokyo, October 2, said:

Premier Shigeru Yoshida's Liberal party, which is strongly pro-American, piled up a commanding lead today in early unofficial returns from yesterday's elections. . . . The Communists, who held 23 seats in the recently dissolved Diet, suffered a smashing setback. . . . not a single Communist had been elected to the 466-member House.

In the Philippines, during the 6-month period from December to June, the Communist party was condemning itself for having as it said "lost touch with the masses."

Our good neighbors to the South, despite political differences in some of the Latin American Republics, have joined with us and have stood by us in the Rio Pact for hemisphere defense and the Organization of American States.

Gentlemen, there are many discouragements in the world today. Also there are many encouragements and they rarely happen by accident.

The Campaign of Truth is of course an undertaking of the U. S. Government, but the Government alone will never win a war of ideas. If we are to succeed, we must have the help of interested citizens throughout the United States and the active support of patriotic organizations, such as the American Legion, who know that winning a war does not mean winning a peace.

I have read with interest the resolutions adopted by the American Legion at your recent national convention expressing your views on our psychological war with the Soviet Union. I am heartened to see that you have so clearly seen the nature of the contest, a gigantic struggle between world faith and world fear.

I have spoken to you today of one of the most important enterprises of your Government—an enterprise which with the help of American citizens like yourselves and those for whom you speak,

may be a beacon on the road to world peace. I am not a professional publicist, nor a professional diplomat, nor a politician. I am not even a member of the Administration party in the Government which I serve. I am merely an American citizen proud of his country and wishing to help preserve for his grandchildren and yours the "promise of American life." We need guns! Yes,

and we are getting guns. Armaments may win wars, but arms alone will never win a peace. Peace like freedom is everybody's business. Ideas in the long run are more powerful than guns.

Gentlemen of the American Legion, you will do a further great service to your country if you will again shoulder arms, this time in the world-wide crusade of ideas which is the only road to peace.

Validation of German Dollar Bonds

by Roland F. Moores

On August 25, 1952, the Federal Republic of Germany enacted a law which will affect every American citizen or resident who holds German dollar bonds. The legislation is entitled the Law Concerning the Validation of German Foreign Currency Bonds, popularly known as the Validation Law.¹ It is a complex act which, like most postwar social and economic laws of Western Germany, finds its motivating force in the conditions arising out of the war.

The war left Germany's financial structure in an unprecedented state of chaos. Securities were lost and destroyed by war action. They were also unlawfully acquired and looted. The matter of looting, particularly, raised problems of such importance for the Federal Republic of Germany that it considered their solution to be a matter of national interest. A large number of German foreign-currency bonds had been reacquired by the issuers for amortization but had not been presented to the trustees or paying agents for cancellation. These bonds were for the most part lying in the vaults in Berlin when the Russian armed forces invested the city. They were never recovered, and nothing is known (although much is suspected) concerning their whereabouts.

The remarkable recovery which has taken place

since currency reform in 1948 provides a striking demonstration of West Germany's basic economic potential. Full realization of that potential cannot be achieved, however, without Germany's participation in international trade and finance on a normal basis. Settlement of the public and private prewar external debts of the former Reich to the extent possible under the present circumstance of a divided Germany is thus a matter of singular importance, opening the way for the development of normal financial relations between the Federal Republic and other free-world countries. The Conference on German External Debts met at London from February to August 1952 to work out this settlement.² The recommendation of this conference will be embodied in a debt agreement which is now in the course of preparation and which will be submitted to the interested governments for their approval. However, before the process of resuming payments by German debtors under the terms of this debt agreement can begin, it is necessary to separate the obligations which are valid from those which are not. This is the function of the Validation Law. It will not of itself insure payment on German dollar bonds.

The aggregate of principal and accrued interest due on the outstanding dollar bonded indebtedness of German corporate and public entities is approx-

¹ Copies of an English translation of the text of the law may be obtained by writing the Bureau of German Affairs, Department of State, Washington 25, D.C. Relevant portions of the schedule which is annexed to the law are printed at the end of this article.

² For text of the communiqué issued at the close of the conference and portions of its final report, see BULLETIN of Aug. 18, 1952, p. 252.

imately 510 million dollars. The Validation Law ultimately will determine what portion of this sum is represented by the looted securities; German officials believe that it will be quite substantial. From the standpoint of the American holder, the Validation Law should find a welcome response, since it will insure that the German Government's dollar resources will be conserved to service only valid obligations.

Jurisdictional Limitations of Law

The Validation Law has jurisdictional, as well as substantive, limitations. It does not apply to dollar bonds issued by public or corporate entities having their seat in that part of Germany which is under Soviet control or under Polish administration. Moreover, the law will deal only with those bonds which are listed in the schedule of the law. Accordingly, outstanding bonds of issuers located in Western Germany and the Western sectors of Berlin, which are not so listed, are not affected by the law and need not be validated. The bonds are identified in the schedule by issue, not by individual serial number, since information regarding the serial numbers of looted bonds is fragmentary and inconclusive. The law is internal German legislation. In order that it may be given effect in the United States, an agreement will be concluded between the two Governments. This, together with a regulation to be issued under the Validation Law, will establish the validation procedure which will be introduced in the United States. Negotiations with the German Government on these supporting measures will be concluded in the near future.

The Validation Law provides that foreign currency bonds listed in the schedule remain valid only if they are validated in the manner prescribed in the law. There are a number of ways in which this may be accomplished. However, the validation procedure which most American holders will be invited to follow is concerned with only one of these methods.

A dollar bond of an issue listed in the schedule which was outside Germany on January 1, 1945, is by that circumstance alone eligible for validation. A bond which is shown to have been outside Germany on this key date automatically qualifies for validation. This is the principle upon which the procedure in the United States will be based. The effectiveness as well as the practicability of this simple test becomes apparent when the circumstances surrounding the trading in German securities in the United States exchanges during the war and postwar period are reviewed.

On December 9, 1941, the securities exchanges

in the United States, at the request of the Securities and Exchange Commission (suspended dealings in listed securities of German origin. Brokers and dealers were likewise requested to cooperate by refraining from effecting transactions in such securities. The Securities and Exchange Commission has not withdrawn its request, and the suspension of trading continues. It thus becomes readily apparent that most American holders, or their successors in interest, will have no difficulty showing that they held their bonds outside Germany prior to January 1, 1945, the date specified in the Validation Law.

The conclusion of the London Conference on German External Debts has stimulated an active interest in German bonds, and numerous inquiries are being received as to when trading will be resumed. On September 9, 1952, the Securities and Exchange Commission reminded the public that it was not prepared to withdraw its request until the validation procedure had been placed in operation.³ The Commission pointed out that only through this means could assurances be given to investors that no bonds except those which would constitute good delivery would be afforded a market in the United States.

Validation Procedures

As stated above, the agreement and the regulation under the Validation Law will determine the procedure to be followed. The principal elements of the procedure will consist of the following: (1) the appointment of a foreign representative with whom applications for validation may be filed; (2) the creation of a Validation Board which will decide the question of validation in each case; (3) the designation of depository banks where holders may take or send their bonds; (4) the form for the submission of information and evidence; (5) the giving of appropriate notice to the public; and (6) an arbitration procedure. The Validation Law provides for a 6-month period to deal with these and other problems. This period will expire on March 1, 1953, at which time, but not prior thereto, applications for validation will be received. The details of the procedure which bondholders will be invited to follow will be examined in a subsequent article at the time the agreement and the regulation are published.

• *Mr. Moores, author of the above article, is an officer in the Bureau of German Affairs.*

³ Securities and Exchange Commission press release No. 4749 of Sept. 9, 1952.

SCHEDULE OF THE LAW FOR THE VALIDATION OF GERMAN FOREIGN CURRENCY BONDS

A. BONDS OF THE GERMAN REICH AND THE FORMER STATE OF PRUSSIA

(U.S. dollars only)

No.	Title	Currency	Country of offering
1	German External Loan, 1924 (Dawes Loan). (i) 7% Gold Loan (Total issue in the U.S.A. \$110,000,000) . . .	\$	U.S.A.
3	International 5½% Loan of the German Reich, 1930 (Young Loan). (i) 5½% Gold Bonds (Total amount issued in the U.S.A. \$98,250,000).	\$	U.S.A.
4	6½% Prussian External Loan, 1926. The Free State of Prussia— 6½% sinking fund gold bonds—External Loan, 1926.	\$	U.S.A.
5	6% Prussian External Loan, 1927. The Free State of Prussia— 6% sinking fund gold bonds—External Loan, 1927.	\$	U.S.A.

B. BONDS OF THE KONVERSIONSKASSE (CONVERSION OFFICE FOR GERMAN FOREIGN DEBTS)

(U.S. dollars only)

No.	Interest rate	Currency	Description	Date of issue	Country of offering
11	Percent 3	\$	Old issue	July 1, 1936	U.S.A.
12	3	\$	New issue	June 1, 1937	U.S.A.

PART IV. COUNTRY OF OFFERING: UNITED STATES OF AMERICA

(All issues denominated in dollars)

No.	ISSUER		Original interest rate	Description	Year of issue
	German title	American title			
1	Allgemeine Electricitäts-Gesellschaft (AEG).	General Electric Co., Germany.	Percent 7	Twenty-year sinking fund gold debentures—due January 15, 1945.	1925
2	Allgemeine Electricitäts-Gesellschaft (AEG).	General Electric Co., Germany.	6½	Fifteen-year gold sinking fund debentures—due December 1, 1940.	1925
3	Allgemeine Electricitäts-Gesellschaft (AEG).	General Electric Co., Germany.	6	Twenty-year sinking fund gold debentures—due May 1, 1948.	1928
4	Bayerisch-Pfalzische Städte . . .	Bavarian Palatinate Consolidated Cities, Germany.	7	External serial gold bonds . . .	1926
5	Bayern, Freistaat	Free State of Bavaria . .	6½	Serial gold bonds	1925
6	Bayern, Freistaat	Free State of Bavaria . .	6½	External twenty-year sinking fund gold bonds—due August 1, 1945.	1925
7	Berlin, Stadt	City of Berlin	6½	Twenty-five year sinking fund gold bonds—due April 1, 1950.	1925
8	Berlin, Stadt	City of Berlin	6	Thirty-year external sinking fund gold bonds—due June 15, 1958.	1928
9	Berliner Stadtische Elektrizitätswerke Akt.-Ges. (jetzt: Berliner Kraft- und Licht (Bewag)-Aktiengesellschaft).	Berlin City Electric Co., Inc.	6½	Twenty-five year sinking fund debentures—due December 1, 1951.	1926
10	Berliner Stadtische Elektrizitätswerke Akt.-Ges. (jetzt: Berliner Kraft- und Licht (Bewag)-Aktiengesellschaft).	Berlin City Electric Co., Inc.	6½	Thirty-year sinking fund debentures—due February 1, 1959.	1929
11	Berliner Stadtische Elektrizitätswerke Akt.-Ges. (jetzt: Berliner Kraft- und Licht (Bewag)-Aktiengesellschaft).	Berlin City Electric Co., Inc.	6	Twenty-five year debentures—due April 1, 1955.	1930
12	Bezirksverband Oberschwabische Elektrizitätswerke.	Consolidated Hydroelectric Works of Upper Wurttemberg.	7	First mortgage thirty-year sinking fund gold bonds—due January 15, 1956.	1926

No.	ISSUER		Original interest rate	Description	Year of issue
	German title	American title			
13	Braunkohlen-Industrie-Aktiengesellschaft, Zukunft.	Brown Coal Industrial Corp., Zukunft.	6½	Sinking fund mortgage gold bonds, Series A—due April 1, 1953.	1928
14	Bremen, Freie Hansestadt	State of Bremen (Free Hanseatic City of Bremen).	7	Ten-year external loan gold bonds—due September 1, 1935.	1925
15	Central-Ausschuss für die Innere Mission der Deutschen Evangelischen Kirche.	(Protestant Church in Germany Welfare Institution Loan).	7	Twenty-year secured sinking fund gold bonds.	1926
16	Deutsch-Atlantische Telegraphengesellschaft.	German Atlantic Cable Co.	7	First mortgage twenty-year sinking fund gold dollar bonds—due April 1, 1945.	1925
17	Deutsche Landesbankenzentrale Aktiengesellschaft.	Central Bank of German State & Provincial Banks, Inc.	6	First mortgage secured gold sinking fund bonds Series A—due August 1, 1952.	1927
18	Deutsche Landesbankenzentrale Aktiengesellschaft.	Central Bank of German State & Provincial Banks, Inc.	6	Mortgage secured gold sinking fund bonds Series B—due October 1, 1951.	1927
19	Deutsche Landesbankenzentrale Aktiengesellschaft als Zentral-agent für: Hannoversche Landeskredit-Anstalt, Landesbank der Provinz Schleswig-Holstein, Brandenburgische Provinzialbank und Giro-Zentrale, Landesbank der Rheinprovinz, Landesbank der Provinz Westfalen, Nassauische Landesbank, Badischen Sparkassen- und Giroverband, Badische Girozentrale, Württembergischen Sparkassen- und Giroverband und Andere Kommunalbanken Mittel- und Ostdeutschlands.	Central Bank of German State & Provincial Banks, Inc.	6½	German provincial and communal banks consolidated agricultural loan—secured sinking fund gold bonds Series A—due June 1, 1958.	1928
20	Deutsche Rentenbank-Kreditanstalt Landwirtschaftliche Zentralbank.	German Central Bank for Agriculture.	7	First lien gold farm loan sinking fund bonds—due September 15, 1950.	1925
21	Deutsche Rentenbank-Kreditanstalt Landwirtschaftliche Zentralbank.	German Central Bank for Agriculture.	6	Farm loan secured gold sinking fund bonds—due July 15, 1960.	1927
22	Deutsche Rentenbank-Kreditanstalt Landwirtschaftliche Zentralbank.	German Central Bank for Agriculture.	6	Farm loan secured gold sinking fund bonds—second series of 1927—due October 15, 1960.	1927
23	Deutsche Rentenbank-Kreditanstalt Landwirtschaftliche Zentralbank.	German Central Bank for Agriculture.	6	Farm loan secured gold sinking fund bonds—Series A of 1928—due April 15, 1938.	1928
24	Deutscher Sparkassen und- Giroverband.	German Savings Bank and Clearing Assoc.	7	German consolidated municipal loan—sinking fund secured gold bonds—series of 1926 due 1947—due February 1, 1947.	1926
25	Deutscher Sparkassen und- Giroverband.	German Savings Bank and Clearing Assoc.	6	German consolidated municipal loan—sinking fund secured gold bonds—series due 1947.	1928
26	Dortmunder Wasserwerksgesellschaft m. b. H., Dortmunder Aktiengesellschaft für Gasbeleuchtung, Dortmunder Strassenbahnen G.m.b.H. (jetzt: Dortmunder Stadtwerke Aktiengesellschaft).	Dortmund Municipal Utilities.	6½	Twenty-year sinking fund mortgage gold bonds—due October 1, 1948.	1928
27	Düsseldorf, Stadt	City of Düsseldorf.	7	External serial gold bonds	1925
28	Duisburg, Stadt	City of Duisburg.	7	Serial gold bonds	1925
29	Elektrizitätswerk Unterelbe, Aktiengesellschaft.	Unterelbe Power & Light Co.	6	Twenty-five year sinking fund mortgage gold bonds, Series A—due April 1, 1953.	1928

No.	ISSUER		Original interest rate	Description	Year of issue
	German title	American title			
30	Elektrowerke Aktiengesellschaft. .	Electric Power Corp. . .	Percent 6½	First mortgage sinking fund gold bonds series—due 1950.	1925
31	Elektrowerke Aktiengesellschaft. .	Electric Power Corp. . .	6½	First mortgage sinking fund gold bonds series—due 1953.	1928
32	Frankfurt am Main, Stadt. . . .	City of Frankfort-on-Main.	7	Serial gold bonds external loan of 1925.	1925
33	Frankfurt am Main, Stadt. . . .	City of Frankfort-on-Main.	6½	Twenty-five year sinking fund gold bonds municipal external loan of 1928—due May 1, 1953.	1928
34	Gas- und Eltwerke kommunale Aktiengesellschaft Recklinghausen.	Municipal Gas and Electric Corp., Recklinghausen.	7	First mortgage twenty-year sinking fund gold bonds—due December 1, 1947.	1927
35	Gesamtverband der acht bayerischen Diozesen.	Roman Catholic Church in Bavaria.	6½	Twenty-year sinking fund gold bonds, Series A—due March 1, 1946.	1926
36	Gesellschaft fur elektrische Hoch- und Untergrundbahnen in Berlin—(jetzt: Berliner Verkehrs-Betriebe [BVG])	Berlin Electric Elevated and Underground Railways Co.	6½	Thirty-year first mortgage sinking fund gold bonds—due October 1, 1956.	1926
37	Gesfurel (Gesellschaft fur Elektrische Unternehmungen).	Gesfurel	6	Sinking fund gold debentures—due June 1, 1953.	1928
38	Grosskraftwerk Mannheim Aktien-Gesellschaft, Pfalzwerke Aktien-Gesellschaft.	Mannheim and Palatinate Electric Cos.	7	Fifteen-year sinking fund mortgage gold bonds—due June 1, 1941.	1926
39	Gutehoffnungshutte, Aktienverein fur Bergbau und Huttenbetrieb; Gutehoffnungshutte Oberhausen Aktiengesellschaft.	Good Hope Steel and Iron Works.	7	Twenty-year sinking fund mortgage gold bonds—due October 15, 1945.	1925
40	Hamburger Hochbahn Aktiengesellschaft.	Hamburg Elevated Underground and Street Railways Co.	5½	Ten-year gold loan—due June 1, 1938.	1928
41	Hamburger Staat (Freie und Hansestadt Hamburg).	State of Hamburg (Free and Hanseatic City of Hamburg).	6	Twenty-year gold bonds—due October 1, 1946.	1926
42	Hannover, Stadt	City of Hanover	7	Ten-year external convertible gold bonds—due November 1, 1939.	1929
43	Hannover, Stadt	City of Hanover	7	Externalsinking fund gold bonds—due November 1, 1959.	1929
44	Harpener Bergbau-Aktiengesellschaft.	Harpener Mining Corp. . .	6	Gold mortgage bonds, series of 1929—due January 1, 1949.	1927
45	Harzwasserwerke der Provinz Hannover.	Province of Hanover Harz Water Works.	6	Sinking fund gold bonds, first series—due August 1, 1957.	1927
46	Harzwasserwerke der Provinz Hannover.	Province of Hanover Harz Water Works.	6½	Sinking fund gold bonds, second series—due February 1, 1949.	1929
47	Ilseeder Hutte	Ilseeder Steel Corp.	6	Gold mortgage bonds, series of 1928—due August 1, 1948.	1928
48	Rudolph Karstadt Aktiengesellschaft.	Rudolph Karstadt, Inc. .	6	First mortgage collateral sinking fund bonds—due November 1, 1943.	1928
49	Koln, Stadt	City of Cologne	6½	Twenty-five year sinking fund gold bonds—due March 15, 1950.	1925
50	Konigsberger Zellstoff-Fabriken und Chemische Werke Koholyt Aktiengesellschaft.	Koholyt Corp.	6½	First (closed) mortgage sinking fund gold bonds.	1928
51	Kommunale Landesbank in Darmstadt.	Municipal Bank of the State of Hessen.	7	Serial gold bonds	1925
52	Luneburger Kraft-, Licht- und Wasserwerke Gesellschaft mit beschränkter Haftung.	Luneburg Power, Light and Waterworks, Ltd.	7	First mortgage twenty-year sinking fund gold bonds—due May 1, 1948.	1928
53	Mansfeld Aktiengesellschaft fur Bergbau und Huttenbetrieb.	Mansfeld Mining and Smelting Co.	7	Fifteen-year (closed) mortgage sinking fund gold bonds—due May 1, 1941.	1926
54	"Miag" Muhlenbau und Industrie-Aktiengesellschaft (jetzt: G. m. b. H.).	Miag Mill Machinery Co.	7	Closed first mortgage thirty-year sinking fund gold bonds—due June 1, 1956.	1926
55	Munchen, Stadt	City of Munich.	7	Serial gold bonds	1925
56	Norddeutscher Lloyd (Bremen). .	North German Lloyd, Bremen.	6	Twenty-year sinking fund gold bonds—due November 1, 1947.	1927

No.	ISSUER		Original interest rate	Description	Year of issue
	German title	American title			
			Percent		
57	Norddeutscher Lloyd (Bremen).	North German Lloyd, Bremen.	4	Sinking fund bonds of 1933— due November 1, 1947.	1933
58	Nurnberg, Stadt	City of Nuremberg . . .	6	External twenty-five year sink- ing fund gold bonds—due August 1, 1952.	1927
59	Oberpfalzwerke Aktiengesellschaft fur Elektrizitatsversorgung (jetzt: Energieversorgung Ost- bayern Aktiengesellschaft).	Oberpfalz Electric Power Corp.	7	First mortgage sinking fund gold bonds.	1926
60	Oldenburg, Freistaat	Free State of Oldenburg.	7	External serial gold bonds . . .	1925
61	Pfalzische Stadte: siehe Bayerisch- Pfalzische Stadte.
62	Pfalzwerke Aktiengesellschaft: siehe Grosskraftwerk Mann- heim.
63	Preussische Elektrizitats-Aktien- gesellschaft (Preussenelektra).	Prussian Electric Co. . .	6	Sinking fund gold debentures— due February 1, 1954.	1929
64	Rhein-Elbe Union.	Rhein-Elbe Union	7	Twenty-year sinking fund mort- gage gold bonds—due Janu- ary 1, 1946.	1926
65	Rheinisch-Westfalisches Elektri- zatswerk Aktien-Gesellschaft.	Rhine-Westphalia Elec- tric Power Corp.	7	Direct mortgage gold bonds— due November 1, 1950.	1925
66	Rheinisch-Westfalisches Elektri- zatswerk Aktien-Gesellschaft.	Rhine-Westphalia Elec- tric Power Corp.	6	Direct mortgage gold bonds— due May 1, 1952.	1927
67	Rheinisch-Westfalisches Elektri- zatswerk Aktien-Gesellschaft	Rhine-Westphalia Electric Power Corp.	6	Consolidated mortgage gold bonds—due August 1, 1953	1928
68	Rheinisch-Westfalisches Elektri- zatswerk Aktien-Gesellschaft	Rhine-Westphalia Electric Power Corp.	6	Consolidated mortgage gold bonds—due April 1, 1955	1930
69	Rhein-Main Donau Aktiengesell- schaft	Rhine-Main Danube Corp .	7	Sinking fund gold debentures, Series A—due September 1, 1950	1925
70	Romisch-Katholische kirchlich Weohl- fahrtsinrichtungen in Deutsch- land (Der Deutsche Caritas- verband Eingetragener Verein, Die Katholische Schulorganisa- tion Deutschlands (Landesaus- schuss Preussen) Eingetragener Verein und Der Reichsverband der Katholischen Gesellenhau- ser, Lehrlings- und Ledigen- heime Eingetragener Verein)	Roman Catholic Church Welfare Institutions in Germany	7	Twenty-year secured sinking fund gold bonds	1926-28
71	Ruhrchemie Aktiengesellschaft . .	Ruhr Chemical Corp . .	6	Sinking fund mortgage bonds, Series A—due April 1, 1948	1928
72	Ruhrgas Aktiengesellschaft . . .	Ruhr Gas Corp	6½	Secured sinking fund bonds, Series A—due October 1, 1953	1928
73	Ruhrwohnungsbau-Aktiengesell- schaft.	Ruhr Housing Corp . .	6½	First mortgage sinking fund bonds—due November 1, 1958	1928
74	Leonhard Tietz Aktiengesellschaft (jetzt: Westdeutsche Kaufhof Aktiengesellschaft).	Leonhard Tietz, Inc . .	7½	Twenty-year mortgage gold bonds	1926
75	Vereinigte Badische Stadte . . .	Consolidated Municipali- ties of Baden	7	External sinking fund gold bonds—due January 1, 1951	1926
76	Vereinigte Elektrizitatswerke West- falen G. m. b. H. (jetzt: Aktien- gesellschaft).	Westphalia United Elec- tric Power Corp.	6	First mortgage sinking fund gold bonds, Series A—due January 1, 1953	1928
77	Vereinigte Industrieunternehmungen Aktiengesellschaft (Viag).	United Industrial Corp. (Viag)	6	Hydroelectric first (closed) mort- gage sinking fund gold bonds	1925
78	Vereinigte Industrieunternehmungen Aktiengesellschaft (Viag).	United Industrial Corp. (Viag)	6½	Sinking fund gold debentures . .	1926
79	Vereinigte Stahlwerke Aktiengesell- schaft.	United Steel Works Corp.	6½	Twenty-five-year sinking fund mortgage gold bonds, Series A—due June 1, 1951	1926
80	Vereinigte Stahlwerke Aktienge- sellschaft.	United Steel Works Corp.	6½	Twenty-five-year sinking fund mortgage gold bonds, Series C—due June 1, 1951.	1926
81	Vereinigte Stahlwerke Aktienge- sellschaft.	United Steel Works Corp.	6½	Twenty-year sinking fund de- bentures, Series A—due July 1, 1947.	1927

No.	ISSUER		Original interest rate	Description	Year of issue
	German title	American title			
82	Vestische Kleinbahnen Gesellschaft mit beschränkter Haftung (Vestische Strassenbahn G. m. b. H.).	Vesten Electric Railways Co.	Percent 7	First mortgage twenty-year sinking fund gold bonds—due December 1, 1947.	1927
83	Wasserwirtschaft im Rheinisch-Westfälischen Industriegebiet (Ruhrkohlenbezirk), G. m. b. H.	Rhine-Ruhr Water Service Union.	6	Twenty-five-year sinking fund external gold debentures—due January 1, 1953.	1928
84	Wohnhaus-Grundstücks-Verwertungs- Aktiengesellschaft am Lehniner Platz.	Housing and Realty Improvement Co., Berlin	7	First (closed) mortgage twenty-year sinking fund gold bonds.	1926
85	Württembergische Städte und Gemeinden.	(State of Wurttemberg Consolidated Municipal External Loan of 1925.)	7	Serial gold bonds	1925

A Basic Decision for the U. S.: Trade or Aid

by *Eugenie Anderson*
*Ambassador to Denmark*¹

I am delighted to have this opportunity to speak to so many of Philadelphia's world-minded citizens. Having been back in the States only 2 days, my mind is still full of European problems. It is to a few of those problems that I will address myself today. I especially want to discuss some economic considerations. One does not need to be an American representative in Europe for several years in order to be convinced that economic difficulties lie at the root of many of our other problems. Nevertheless, as an American Ambassador abroad, I have had an unusual opportunity of studying the relationship of economic problems to our foreign policy in general. We speak often these days of our pressing defense concerns, and so we should. But we need to remember also that military strength rests on economic, social, and moral strength. And we need constantly to consider the ways in which our own economic affairs affect those of our European allies.

While my experience of the past 3 years has been largely in Denmark, I have learned that Danish economic problems are similar to those of Western Europe as a whole. If I shall use Denmark as an example in the course of my remarks, it is also

a fairly typical example as regards European economic problems today.

This is an election year. It is inevitable that in the heat of the political campaign many things are said that give a distorted picture of the situations we face and what we have been doing about them. It is therefore appropriate to give sober consideration to some of the basic problems with which we are confronted. For the new administration which takes office in January, whether Republican or Democratic, will have to deal with these problems. They are difficult and serious. Many of them are economic problems. To deal with them effectively, it is of major importance to develop the broadest possible basis of public understanding and support.

Size and Strength of the Soviet State

The most significant and most serious fact for America and for all the free world is the existence of the Union of Soviet Socialist Republics. Here is a nation occupying over one-sixth of the world's land mass. It dominates today not only its own large population but millions of people of many other nations which once were free. The Soviet state today controls approximately 35 percent of the people of the world, over 800 million persons.

It is not, of course, merely the size and popu-

¹ Excerpts from an address made before the World Affairs Council at Philadelphia on Oct. 10 (press release 796).

lation of the Soviet realm which is significant. This massive bloc is governed by a small group of 14 men. They maintain as tyrannical and complete a dictatorship as the world has ever known. This is a dictatorship dedicated to its own preservation and extension by force. Its contempt for human liberty and the rights of man is utter and complete. In the Soviet world the individual exists only as long as he does serve the State. Soviet dictatorship is based upon a ruthless and complete suppression of individual freedom.

The men in the Kremlin have not disguised their ultimate objective. Just as Hitler in *Mein Kampf* outlined his plans for power, so have the Soviet leaders clearly enunciated the course they will pursue. World domination is their openly stated purpose.

It is in the context of this threat to their liberties that the peoples of the non-Soviet world must live. The reality of this threat cannot be lost sight of. Its existence complicates and renders infinitely more difficult the solution of the many other problems with which the free world must deal.

Powerful Forces Unleashed by World War II

For while the fact of an aggressive imperialist Soviet Russia is in itself the most serious problem with which the free world must deal, if it is to survive, it would be a very grave error to assume that the removal of this problem would leave us without others. Essentially the free world must not only find ways and means of successfully resisting the spread of Communist power but must, at the same time, find ways and means of solving those other political and economic problems with which it is beset. The end of World War II found a vastly different world than existed when it began. We are only beginning to appreciate the extent to which the war marked the unleashing of powerful social and economic forces. They have already drastically changed the political character and structure of much of the world. The extent to which these powerful forces can be channeled to improve, rather than to destroy, the world depends very greatly on our ability to understand their causes and to adjust ourselves to their existence.

The United States was certainly not the country least affected by these developments. The same cataclysm which caused such vast changes in the world thrust the United States into a position of power and affluence greater than it had ever known. For the fact is that World War II left the United States as the most powerful nation in the world and, most important, as the only really powerful nation in the free world. These tides caused the near bankruptcy of the British Empire. They brought about the economic and political devastation of Europe. They created revolutionary chaos in much of Asia. And they

left the United States richer and stronger in both absolute and relative terms.

This wholly unsought and unexpected position of power for the United States inevitably carries with it grave and heavy responsibility. The change in our relative power necessarily increases the significance to other countries and to other peoples of all of our actions, whether large or small.

The development of transportation, especially air transport, and of communications, which was vastly accelerated by the pressures of military needs during the war, also affected the United States. The speed with which people can now move or communicate with each other means essentially that the world has shrunk. What takes place in one part of the world quickly becomes known in the other areas. The effects of actions by the United States are not only greater because of our greater power but because the speed with which these effects are felt and produce results is so much greater.

Clearly the United States today stands in a position of great power and awesome responsibility. It is the United States which must lead and on which the free nations of the world must depend. With intelligent and responsible U.S. leadership, the free peoples of the world can contribute much to the solving of our mutual problems. Without such leadership, or in the event of a U.S. retreat into isolation, the free world will flounder and inevitably fall under aggressive Communist forces.

These are the facts with which we must deal. This is not a situation which we sought nor one which we like, but it is the world in which we live.

We may be both grateful and proud that up to now the United States has met the challenge of these facts with humility, with courage, with intelligence, and with success. We have *not*, we fully realize, been free from error nor have we solved all of our problems. But we have made progress.

Preserving Europe From Soviet Control

One of the greatest problems with which we were confronted was that of Europe. The end of the war left Europe in virtual chaos. Ravaged by war, numbed by the terrors of Occupation, the peoples and nations of Europe emerged from war weak and disorganized. Governments were confused and bewildered by the gigantic task of political and economic rehabilitation and reconstruction. Their peoples, weary and fearful, lacked confidence either in themselves or in their leaders. This was a situation made to order for communism, which tends to flourish where people have lost both means and hope.

That the problem of Europe was a problem for the United States was clear. Europe was and is of great importance to us. This is not just because it is the source from which most of our

people come. Nor is it just because we have a great common heritage, share common ideals and culture. Besides these important factors, there is another basic fact and that is that the security of Europe is a part of our security and essential to it.

Europe is a source of power. The population of free Europe is greater than that of either the United States or the Soviet Union. The production potential of Europe, free Europe, is great. It exceeds that of the Soviet Union; it compares favorably with our own. Europe has a skilled and intelligent manpower, experienced in the technics and arts of modern industrial civilization.

We cannot afford to permit these power sources to be added to the existing strength of the Soviet Union. Such an addition would mean that over 1 billion people would be under Soviet control. Such a unit would equal us in steel capacity, exceed us in coal production, and rival us in the output of electric energy. The Soviet system, with Europe added, would equal us in production capacity and exceed us in manpower seven times.

That the significance of preserving Europe from Soviet control has been fully appreciated by our Government and by our people is reflected in the course of our foreign policy over the past several years. Under the leadership of the Administration, bold and imaginative measures have been taken. The European Recovery Program, the North Atlantic Treaty, the Mutual Defense Assistance Program are all milestones on the road to securing prosperity and preserving peace and security in this part of the free world.

The objectives of our policy neither are, nor should they be, confined to the forestalling of aggression by the Soviet Union. So long as the threat of such aggression exists we must, of course, be concerned with it. We must continue vigilantly to construct and maintain defensive strength adequate to deter it. But we must also concern ourselves with the solution of basic economic and social problems.

Accomplishments in European Recovery

The European Recovery Program was the first great measure directed toward the solving of the basic economic problems in Europe. The accomplishments of this program are indeed magnificent. This Program brought order out of the chaotic economic situation which existed in Europe following the war. There had been a tremendous loss of financial, industrial, and productive resources.

The final press statement issued by the Economic Cooperation Administration² lists many positive achievements, constituting a most impressive record. It is a record without parallel in history. Following the First World War, when we did not have the awful destruction of strategic air bombardment and when a major part of Western Eu-

rope was free from Occupation, it took 7 years to regain the prewar level of production. Under the Marshall Plan, industrial production in Western Europe was increased 64 percent in 3 years. By the end of 1951, it was over 40 percent higher than before the war. Steel production was doubled in 3 years and was more than 20 percent greater than before the war. In 1951 Western Europe's steel production was 60 million tons as compared with 35 million tons produced in the Soviet system. Petroleum products were four times more than before the war. Electric energy output was double prewar levels. Transport had been rehabilitated.

In the field of agriculture similar striking gains have been made. The total agricultural production at the end of 1951 was nearly 10 percent more than prewar and 25 percent above 1947. Potatoes, sugar, milk, and oils are above prewar levels; cereals, grains, and meat are back up to prewar volume.

Expressed in terms of total production of goods and services, an economic level 15 percent better than before the war had been achieved. There was a gain of 25 percent in less than 4 years.

These are indeed real and significant accomplishments. Much credit must be given for achieving these results to those who conceived and executed the program. Equal credit belongs to the courageous and vigorous efforts of the governments and peoples of Western Europe working together in free cooperation.

It in no way dims the luster of this performance to point out that, despite these impressive gains, we are still faced with difficult and serious economic problems in Western Europe.

One of the major reasons for the continued existence of economic problems is the effect of the war in Korea. And here I want to digress for a moment to say that Korea has also been of decisive actual and moral strength to our allies in Europe. Korea has proved to our friends—as well as to the Communists—that we would resist aggression. Korea has once more demonstrated our military superiority. It has stayed aggression in Southeast Asia. It has also been a forceful proof of our determination to prevent a world conflagration. It has given new strength to the United Nations. It has brought a new security against Communist aggression in Europe. We are paying a high and a terrible price in Korea—but we Americans need to remember that our sacrifices have not been in vain.

Nevertheless it was true that the brazen use of military force by a Soviet satellite came as a shock to the free world. It served to emphasize the need for effective and adequate defensive military strength. Korea proved to the governments of Western Europe, just as to us Americans, that the defense build-up must be accelerated. We were determined to reduce the danger of another Korea elsewhere along the Soviet front. The economic

² BULLETIN of Jan. 14, 1952, p. 43.

improvement resulting from the European Recovery Program stood the people of Europe in good stead. These gains made possible a military effort which could not have been even contemplated a few short years before.

I cannot today recite the many accomplishments of the North Atlantic Treaty Organization. But believe me, they are impressive. Two million men are today under arms in Europe. There has been an increase of over 500,000 European troops since 1949. Military budgets have nearly doubled. Training periods have been greatly increased. Defense plans have been coordinated. Military resources have been combined. Morale has been lifted. Self-confidence and determination have replaced defeatism and despair. Military production has been dramatically increased—more than four times over its 1949 level. A steadily increasing proportion of effort and resources is being devoted to achieving an adequate defense.

Some Effects of an Expanding Defense Economy

The increased application of resources to meet the requirements of defense cannot of course be painless. Nations, like families, must budget their incomes. Choices must be made between expenditures for defense and those for such other essential and desirable purposes as housing, schools, public health, and the general welfare. There are limits to the revenue to be acquired through taxation or borrowing. The inevitable effect of higher taxation and greater expenditures for defense must be to retard improvement in the standard of living or even to decrease it.

Thus there are difficult decisions to make. The U.S. Government agrees with the European governments that it would be most unwise to undertake levels of military expenditure and of taxation which would result in losing the gains which have been made. If the lot of the average citizen becomes again one of misery and despair, if freedom and democracy become synonymous with hunger and hopelessness, they cannot survive.

The level of consumption in Western Europe is perhaps a better index of the lot of the ordinary citizen than any other economic symbol. This is on the average still lower than before the war, although slightly higher in most of the European countries. A major task of any responsible democratic government must be to improve the standard of living of its citizens. In planning defense programs, care must be taken to insure as an absolute minimum that there is not a decline which will lose all that has been achieved in the fight against communism.

Another and most serious effect of the war in Korea was its impact on the prices of raw materials. The tremendous increase in demand for basic supplies, stimulated in large part by heavy U.S. purchases, caused rapid and sizable increases in the prices for such goods. The result for Europe was indeed serious. Europe is an industrial

economy, which is in large measure dependent upon imports of raw materials which it processes and in turn sells to the rest of the world. The sudden increase in costs of materials which Europe had to buy was not, of course, matched by a similar increase in demand and consequently in price for the things Europe had to sell. In economic jargon, there was an alarming deterioration in the terms of trade for Europe. In simplest terms, costs went up while income remained stable.

To some degree, of course, it is inevitable that increased demands for raw materials must bring these consequences. However, much can be done by a greater measure of international planning and cooperation in both the acquisition and use of basic supplies. The U.S. Government and others of the major producing and consuming countries are presently engaged in efforts to alleviate these strains. Much remains to be done if there is to be an assurance of an adequate and intelligent development and utilization of the basic resources of the world. No one country, not even the United States, is possessed of an inexhaustible and plentiful supply of all basic materials. This is a field in which international cooperation is most obviously essential.

Problems of Trade Within Europe

These are not the only problems involved in the rehabilitation of Europe's economy and in the construction of a stable international situation. To revert a moment to the European Recovery Program, mention should be made of the problems of trade within Europe. It was obvious that the existence of multiple national barriers to the free movement of goods and services was itself a barrier to sound economic development. If efficient use of European resources was to be made, it was essential to reduce these barriers to trade. Yet equally clear, indiscriminate and precipitate leveling of such controls would also do serious injury to many established interests. The social and economic results of such action had to be considered. Nevertheless, a great deal has been accomplished. By cooperative effort a goal of liberalization of trade has been established. For the first time in modern European history there is free trade in a large number of categories of goods. Substantial progress is being made.

In this connection a most significant development is the Schuman Plan. Today the coal and steel production of six European countries is operating under a single system of economic and political control rather than under six.

However, even if a completely efficient use of Europe's economic resources is achieved, it is still a basic fact that Europe must import raw materials and food and export finished goods. One is closely tied to the other. Exports must pay for imports. The European Recovery Program essentially represented a financing by the United States of the imports required by Europe from

the dollar area. This was to provide Europe with an opportunity to rehabilitate and develop its productive capacity in order to export enough goods to pay for its imports. As I have pointed out, productive capacity in Europe has largely been restored and increased. This is, of course, to no avail if there are not markets for the production. For if Europe cannot sell, it cannot buy, and if it can neither buy nor sell, it cannot live by its own efforts.

It would be an oversimplification of the problem of the basic maladjustment of world trade to say that European stability depends on selling more to the United States. Yet it is not an exaggeration to say that it is of major importance. Most of the billions of dollars spent by the U. S. Government under the European Recovery Program were spent *in the United States*, not in Europe. They went to pay U. S. farmers, U. S. factories, U. S. labor, U. S. businessmen for U. S. goods and supplies. These funds came from taxes. To the extent that European farmers, laborers, factories, and businesses sell goods in the United States, they can earn the dollars which are needed to buy these U. S. goods and supplies. Of course, to sell in the United States, Europeans must make things we want. They must make them as good or better than our local products, or they must supply things we do not make ourselves. They must learn how to package, how to advertise, how to satisfy the American consumer. This they are willing to do and in many cases can do. But these things are in turn futile if we insist on excluding European goods from our markets.

A Story About Danish Blue Cheese

I'd like to tell you a little story in this connection. It is a story about cheese. It is a story about blue cheese, Danish blue cheese. Probably many of you never saw or even heard of Danish blue cheese. But you would have if you had been in Denmark. Denmark is an agricultural country. It is a small country of 4 million people, with very little in the way of natural resources. It must import almost everything. Coal, machinery, minerals, protein foods for cattle, fertilizers, cotton—all must be bought from abroad. Much of this need can only be met by purchases from the United States.

Now the Danes are proud, hard-working and self-respecting people. They prefer to earn their way. They would vastly rather trade goods for dollars than accept them as gifts from the United States. The American Government shares this preference. So we worked together with the Danes. We tried to help them put before the American consumer a product he would want and would buy. The Danes make very fine cheese. They make a very fine blue cheese. This cheese they decided to try to sell in the United States.

They packaged it to suit American tastes. They marketed it in American style. And they sold it in the States. In a short time the Danes began to earn the dollars they needed. The need for our dollar gifts decreased. The American consumer was getting a cheese he liked better, and he was getting it cheaper. His cheese bill was less and his bill for taxes for foreign aid was on the way to being reduced. Both the Danish and American Governments were pleased. But what happened? Suddenly the Danes found themselves barred from meeting the demands of U. S. consumers for blue cheese because of a new American law. The American cheese buyer suddenly found he could no longer get the cheaper, better Danish cheese. Why? Because a rider had been attached to a defense production bill, restricting the import of cheese into the United States. This rider was introduced to protect a small new group of cheese producers from the competition of Danish cheese. So the taxpayer not only gets no reduction in his foreign-aid costs, not only pays more for his cheese, but in the process subsidizes a few selected American cheese producers.

Europe's Need for Imports

Now the quantity of cheese involved in this story and the costs mentioned are not in themselves of major economic significance to the United States. But to the Danes it is significant. Not only was there a loss of investment and a loss of income, but there was a blow to morale. Of what use to try to earn dollars in fair competition if success meant the erection of new and artificial barriers to trade which made it impossible. Similar effects were felt all over Europe. The psychological impact of the Cheese Amendment—Section 104 of the Defense Production Act—was widespread.

The European countries, as I have said, must trade to live. Trade with Eastern Europe presents many difficulties. In the first place such trade never represented the major part of Western Europe's trade. Less than 6 percent of Western Europe's total external trade is conducted with the Soviet Union and its satellites. Furthermore, the free European countries, like ourselves, are keenly aware of the undesirability of a trade with the Soviet system which provides that system with items which increase its potential for military aggression. They also are aware of the fact that trade for the Soviet system is not an objective in itself but an instrument of national policy to be used to further Soviet political objectives. Such trade is undependable and risky. The free European countries maintain controls over trade with the Soviet bloc to assure that such trade as does take place is of net advantage to the Western nations.

Nevertheless, the need of Europe for imports creates a pressure which makes it difficult indeed to deal with the problem of trade with the Soviet

system. A primary example is in the case of coal. Although European production of coal is above prewar levels, it has not increased in proportion to the increase in industrial consumption of coal. While efforts to increase coal production continue and promise ultimate success, it is still a fact that for some years yet Western Europe must import coal. Now there are two principal sources for these imports—one is the United States and the other is Poland. To get coal from the United States requires dollars, earned dollars or gift dollars. To get coal from Poland requires providing Poland with goods she wants. Under the control of the men from the Kremlin, Polish demands increasingly include goods of strategic importance, items of military value.

It is a matter of record that the Western European nations have courageously resisted these demands. To date they have succeeded in negotiating for essential imports without providing strategic goods of comparable significance and value. This is not to say that no items of strategic importance have been exported. It does mean that we believe the West has had the best of these deals.

The problem of coal is but a part of the general problem of essential imports with which Europe is confronted. Again I want to emphasize that Europe must trade to live. If, as I believe we are agreed, the survival of Europe is of fundamental importance to us, we must concern ourselves with European trade. If Europe is to obtain the goods she needs from us, she must acquire the dollars to buy them. Neither we nor the Europeans wish to continue indefinitely with aid programs. To do so is not good for either the one who gives nor the one who receives. An alternative is open to us—an alternative which is mutually beneficial, economically sound, and consistent with the interests of both America and Europe. Briefly, there is an important choice to be made. Trade or aid? You must make the decision.

The economic problems of Europe which I have sketched are, of course, not our only international problems. Nor are they unrelated to the problems of economic and political development in other world areas. All over the free world, at home and abroad, we have problems to solve, work to be done. The free nations of the world working together must find answers, must provide solutions. I believe that they can and I believe that they will.

This faith rests on what I know we have done so far. Looking back over the past 4 years, we can be deeply encouraged by what we have accomplished up to now. We are facing our immense problems with realism and courage. We have our eyes wide open. We need not be afraid. We are

acting in our own self-interest. We are adhering also to basic American traditions. We have been building steadily on sound democratic principles. International cooperation and voluntary mutual assistance: these are the solid pillars of free-world strength and unity.

I have faith in the basic capacity of free men to face their problems and to solve them. And I believe that we will select our next government in the light of the great issues before us. We know that our future depends on choosing those leaders who understand the deep needs of our times. We are agreed on our basic goals. We seek peace, human welfare, and human freedom. We know that they cannot be won in a day.

But we will continue our progress along the great, bold lines we have started. Our goals are clear. They are noble.

In Secretary Acheson's words, "our aim is to create a world in which each human being shall have the opportunity to fulfill his creative possibilities in harmony with all. . . . We must always go forward under the banner of liberty. Our faith and our strength are rooted in free institutions and the rights of man."

Resignation of Miss Lenroot

The President has accepted the resignation of Katharine F. Lenroot as U.S. representative on the Executive Board of the United Nations International Children's Emergency Fund and appointed as her successor Martha M. Eliot, M. D., Chief of the Children's Bureau of the Federal Security Agency.¹

Corrections

BULLETIN of Sept. 22, 1952, p. 460, bottom of first column, "International Labor Office" should read "International Labor Organization." In the same issue, p. 464, delete footnote 1.

BULLETIN of Sept. 29, 1952, p. 491. Third paragraph, second line should read: "shipments from the United States under intra-European aid."

In the index to the same issue, the last two items in the first column should read:

Iceland

MSA allotments for Iceland.

Immigration

Executive director of Immigration and Naturalization Commission appointed.

¹ For texts of Miss Lenroot's letter of resignation and the President's reply, see press release 762 dated Sept. 26.

Treaty Rights of the United States in Morocco

INTERNATIONAL COURT OF JUSTICE RULING OF AUGUST 27, 1952

by Joseph M. Sweeney

The case of the *Rights of Nationals of the United States of America in Morocco* recently decided by the International Court of Justice was the first contentious proceeding of the United States before the World Court. The litigation concerned legislation enacted in the French zone of Morocco on December 30, 1948, putting into effect a system of import controls which prohibited American nationals from importing into Morocco except as permitted by licenses issued by the Protectorate.

The United States contended that the decree contravened its treaty rights and thus should not have been applied to American importers without the prior consent of this Government. France denied that the United States had any such treaty rights. When the *modus vivendi* negotiated between the parties failed to provide a stable solution to the controversy as a result of congressional action refusing foreign aid to any nation which, in the opinion of the President, failed to comply with the treaty rights of the United States,¹ France brought the dispute to the Court.

Upon notification from the Court of the filing by the French Government of the application instituting the proceedings on October 28, 1950,² the United States appointed as its agent, Adrian S. Fisher, Legal Adviser, Department of State. The Court, having ascertained the views of both agents regarding time limits for the filing of their written pleadings, issued on November 22, 1950, an order pursuant to which the French Government filed its first written pleading, or memorial, on March 1, 1951.

After the registrar of the Court directed the attention of the United States to the practice of the Court of regarding the pleadings of the parties to a case as having a confidential character, the Amer-

ican agent filed with the Court a request for immediate release of the documents in the case under article 44, paragraph 3, of the rules of court. The French Government declined to give its consent, and the Court decided that the pleadings of the parties should not be made accessible to the public before the termination of the case.

Before going into the case on the merits by filing its counter-memorial, the United States filed on June 21, 1951, a preliminary objection under article 62 of the rules of court, citing the failure of the French Government to specify in its pleadings whether it was acting on its own behalf or as protector of Morocco, or both.³ Following exchanges of written observations and a waiver of oral hearings by the agents, the Court requested the French Government on October 4, 1951, to clarify its capacity in the case. The French Government complied on October 6, 1951, by stating that it was acting both on its own behalf and as the protecting power of Morocco, and the preliminary objection was withdrawn.⁴

Pursuant to the order of the Court of October 31, 1951, the United States filed its counter-memorial on December 20, 1951. The French Government thereupon filed its reply on February 15, 1952, and the United States a rejoinder on April 18, 1952. The public hearings took place at The Hague from July 15 to July 26, 1952. The Court rendered its decision in the case on August 27, 1952.

"Economic Liberty Without Any Inequality"

The first point involved in the proceeding was the French contention that the decree of December 30, 1948, did not contravene the economic rights of the United States in Morocco. The treaty rights of the United States in the matter were

¹ General Appropriations Act for 1951, chap. 11, Title 1.

² BULLETIN of Dec. 11, 1950, p. 950.

³ *Ibid.*, July 30, 1951, p. 179.

⁴ *Ibid.*, Dec. 17, 1951, p. 978.

based on its treaty of September 16, 1836, which contained a most-favored-nation clause securing for the United States the right to freedom of imports later granted by Morocco to other nations such as Great Britain and Spain. The U.S. treaty rights were predicated as well upon the Act of Algeciras of April 7, 1906, an international instrument including France and Morocco, among other parties, and pledging them to "the principle of economic liberty without any inequality."

According to the French argument, neither Great Britain nor Spain, nor other nations, claimed in Morocco the freedom of imports once granted to them by treaties. Hence, the United States could not claim such freedom through its most-favored-nation clause. As to the Act of Algeciras, the principle of economic liberty without inequality was too vague and general to incorporate a specific bar against prohibitions of imports. Moreover, the issue was really one of enforcement of exchange controls. Exchange controls were in force in the French zone of Morocco with the consent of the United States, but importers who did not request an allocation of foreign exchange from the protectorate to finance their operations remained free to import. The proceeds of these imports found their way illegally to markets where they were converted into dollars and adversely affected the position of the franc. Control of imports was, therefore, necessary. Far from being prevented from imposing such controls by the Act of Algeciras, France had a duty as protecting power to impose controls designed to safeguard the financial and economic position of Morocco. The United States had recognized the responsibility of France in the matter by its formal recognition of the protectorate and by adhering to modern international instruments which reflected a common design on the part of the community of nations to consider control of exchange and imports as legitimate measures.

The U.S. argument attacked the discriminatory character of the legislation of December 30, 1948, under which French goods were excepted from the requirement of an import license and thus from the prohibition to import. The United States was entitled to an equal position with France by virtue of the most-favored-nation clause in its treaty of 1836. Moreover, the import-control legislation at issue was precisely what the framers of the Act of Algeciras had intended to prevent, by making the principle of economic liberty without any inequality the controlling principle of the Act. Commerce with Morocco at the time was free and all nations had a right to import freely. As a part of its plans for ultimate control of Morocco, France was suggesting to the Sultan a reorganization of his customs and finance administration. Aware of the implicit threat of elimination of their own commercial rights, the other interested states had adopted the Act of Algeciras to guard against it. Neither the establishment of the protectorate, nor its recognition, could be relied upon

by France in the circumstances to justify a departure from the commercial rights guaranteed by the treaties.

With respect to the theory that France could, irrespective of treaty rights, take any measure necessary to protect the financial and economic interests of Morocco, there was no support in fact or in law for such a position. The evidence offered by the French Government did not show a correlation between the variations in strength of the French franc and the volume of imports into Morocco financed without allocation of exchange, either before or after the enactment of the decree of December 30, 1948. Moreover, the French authorities could have exercised their authority to stamp out the black markets where the proceeds of such free imports were allegedly converted. Hence the fluctuations in the value of the franc afforded no proof of the necessity of controlling imports upon which the French theory was based. As to the law, modern treaties, while recognizing import and exchange controls as temporary exceptions to free trade, showed a policy of establishing safeguards designed precisely to prevent the parties from asserting a unilateral and arbitrary right to their imposition and use of such controls.

The Court ruled unanimously that, in view of the circumstances preceding the Act of Algeciras, the principle of economic liberty without any inequality in the preamble of the Act was intended to be of a binding character and not merely an empty phrase. The establishment of the protectorate of France over Morocco had not changed the situation. In economic matters France was accorded no privileged position in Morocco. The provisions of the decree of December 30, 1948, contravened the rights of the United States under the Act of Algeciras because they discriminated between imports from France and imports from the United States, France being exempt from control of imports without allocation of currency and the United States being subject to such control. The same conclusion could be predicated on the right of the United States to equality of treatment under its treaty of 1836. The Court, having decided the point on these grounds, considered it unnecessary to pass upon the other grounds on which the parties had based their contentions.

Extraterritorial Jurisdiction

The next points concerned the French contention that the decree of December 30, 1948, was applicable to American nationals without the prior assent of the United States. The rights claimed by the United States in this matter were based upon an express provision of its treaty of 1836 granting extraterritorial jurisdiction to decide "disputes" arising between American citizens. By virtue of the most-favored-nation clause, the United States claimed the broader right later granted to other nations such as Great Britain

and Spain to exercise jurisdiction in any case where an American national was defendant, irrespective of the nationality of the plaintiff. As a corollary of such jurisdiction, the United States claimed the right to require that Moroccan legislation be submitted for its assent before it could become applicable to its nationals. The United States was the only state exercising such rights in the French zone of Morocco at the time of the dispute.

France argued with respect to the question of jurisdiction that the word "dispute" in the treaty of 1836 was confined to civil disputes, and that crimes are offenses against the state and not disputes between private individuals. In addition, all other states, including Spain and Great Britain, had surrendered their rights of jurisdiction. Hence the United States could claim no rights of jurisdiction by virtue of the most-favored-nation clause and could exercise in Morocco only the rights of jurisdiction expressly acquired in the treaty of 1836.

On this point, the Court ruled unanimously that the word "dispute" clearly covered both civil and criminal disputes at the time of the conclusion of the treaty, and thus gave to the United States jurisdiction over civil and criminal cases arising between its citizens. By a vote of 6 to 5 the Court ruled that the claim of the United States to the broader rights of jurisdiction granted to Spain and Great Britain came to an end with the surrender of such rights by Spain and Great Britain. To hold otherwise would be contrary to the intention of the most-favored-nation clause to maintain at all times fundamental equality between the countries concerned, and there was not sufficient evidence to enable the Court to reach a conclusion that the United States could justify its claim on an alternate ground of custom or usage. But the Court ruled by 10 to 1 that the United States could continue to exercise jurisdiction in civil and criminal cases brought against an American national by a party other than an American to the extent required by the provisions of the Act of Algeciras providing for the exercise of this type of jurisdiction.

On the corollary point of the right of assent, the Court unanimously denied the claim of the United States that the application of Moroccan laws to its nationals always required its previous assent. The claim was linked with the extraterritorial jurisdiction claimed by the United States and subject to the same objections. Moreover, there was no provision in any of the treaties involved conferring upon the United States any such right.

Taxation and Customs Valuation

The remaining points concerned the question of taxation and the question of customs valuation. Both issues had been involved in the course of the controversy over the application of the import

control legislation of December 30, 1948, and were submitted to the Court as counterclaims.

The United States, while claiming immunity from taxes for its nationals under the treaties, except as otherwise and specifically provided in such treaties, had followed a constant policy of assenting to the application of Moroccan taxes to its nationals, unless they were discriminatory or aimed at the system of economic liberty established by the Act of Algeciras. The consumption taxes enacted by the protectorate in 1948 affected numerous imported products and thus raised a question whether they were not calculated to operate against imports by evading in effect the maximum rate of customs duties on imports of 12½ percent prescribed by the Act of Algeciras.

By a vote of 6 to 5 the Court ruled that the fiscal immunity granted by treaty to other states could not be claimed by the United States once these other states had surrendered their fiscal privileges. The provisions referring to tax immunity in a multilateral agreement such as the Convention of Madrid of 1880 merely presupposed the existence of the principle of tax immunity without providing a new and independent ground for claiming it. The Court further rejected, by a vote of 7 to 4, the claims of the United States with respect to the consumption taxes of 1948, since the mere fact that it was convenient to collect the consumption taxes on imports at the customs did not alter their essential character as a tax levied upon all goods.

The question of customs valuation turned upon the interpretation to be given of article 95 of the Act of Algeciras providing "The *ad valorem* duties shall be liquidated according to the cash wholesale value of the merchandise delivered in the custom-house and free from customs duties and storage dues." According to the French argument, this value was the value of the merchandise after its passage through the customs and thus its value on the local Moroccan market. According to the argument of the United States, this value was the value of the merchandise before it passed through the customs and thus its value in the country of origin plus the expenses necessary for transportation to the customs in Morocco.

In the view of the United States the method of valuation which it supported would avoid the possibility of arbitrary and discriminatory practices which had given rise to the complaints of American importers in 1948.

By a vote of 6 to 5 the Court ruled that article 95 laid down no strict rule on the issue in dispute and, in view of the past practice, required an interpretation more flexible than either of those for which the two parties contended. The customs authorities in the French zone of Morocco should fix the valuation of imported goods for customs purposes by taking into account all relevant factors, including the value in the country of origin and in the market of the French zone. The same methods, however, must be applied without dis-

crimination to all importations, regardless of the origin of the goods or the nationality of the importer, and the power to make such valuations should be exercised reasonably and in good faith.

Judges Hackworth (U.S.), Badawai (Egypt), Carneiro (Brazil), and Rau (India) dissented in a separate opinion from the conclusions of the Court on jurisdiction, fiscal immunity, and customs valuation.

As a result of the Court decision, and in view of the statutory provisions vesting the ministers and consuls of the United States with judicial authority so far as allowed by treaty, the U.S. Government notified the French Resident General in Morocco on September 12, 1952, that all cases pending on August 27, 1952, in its consular court in the French zone of Morocco, and not within its jurisdiction by the terms of the decision of the International Court of Justice, were being dismissed.

The Court decision is expected to have an important effect upon the economic relations between Morocco and the United States as well as all other parties concerned under the Act of Algeciras.

• *Mr. Sweeney, author of the above article, is assistant to the Legal Adviser, Department of State. He was counsel to the agent of the United States in the proceedings before the International Court of Justice.*

Morocco Lifts Restrictions on Imports

Press release 776 dated October 3

In its opinion of August 27, 1952, in the case between France and the United States to determine the nature and extent of U. S. treaty rights in Morocco, the International Court of Justice at The Hague, among other things, ruled that a Moroccan decree of December 30, 1948, putting into effect import license requirements on imports from all monetary zones including the United States but not on imports from France and the franc area, contravened the treaty rights of the United States in Morocco because it discriminated between imports from France and imports from the United States.

The French Resident General at Rabat, Morocco, in a note delivered to the American Chargé d'Affaires at Tangier on October 2, 1952, set forth the action which the French Protectorate Government is taking to implement the decision of the International Court of Justice regarding import controls in the French zone of Morocco. The text of the note is as follows:

After consultation with representatives of elected bodies in Morocco and examination of the question by the competent administrations in Rabat and Paris, a series of measures designed to give full effect to the provisions of the judgment of August 27, 1952 of the International Court of Justice with respect to imports into Morocco has just been adopted.

The principal characteristics of the new import regime which has just been established at Rabat are the following:

The Residential decrees of March 11, 1948 and December 30, 1948 as well as all of the texts in application thereof are rescinded.

As a result of this fact and as a general rule, all merchandise regardless of origin and source, acquired without an official allocation of foreign exchange, can be imported without authorization. This decision applies equally to imports of goods from outside of the franc area and goods originating within the franc area. Consequently, both categories of imports will benefit from the same exemption. Thus, the principles established by the Act of Algeciras and referred to by the Hague Court are being rigorously observed. The present procedures followed by the Moroccan administration in allocating foreign exchange for the payment of merchandise essential to the country remain in effect notwithstanding the lifting of controls on imports without exchange.

As concerns the imports of certain merchandise regardless of origin (principally arms, narcotics, wines, cereals and their derivatives, oleaginous products), restrictions remain in effect. If in the future similar measures become necessary for other merchandise as a result of changes in the economic and social situation in Morocco, such measures likewise shall not be discriminatory in any way regardless of the exporting country.

Since experience has shown that imports without allocation of exchange often give rise to illegal purchase of foreign exchange which are detrimental to the currency, appropriate provisions make it possible to assure that such operations conform to exchange control legislation. As a counterpart to the lifting of restrictions on imports not requiring an official allocation of foreign exchange, importers carrying out such operations are obliged, when so requested by competent authorities, to describe the use of funds from the sale or utilization of imported merchandise.

Regarding economic relations between the International Zone of Tangier and the French Zone of Morocco, certain new provisions are envisaged.

This series of measures, compatible with the interests of the Moroccan economy, will make it possible for all to participate in the development of this economy under conditions of liberty which conform to the spirit of equality of the General Act of Algeciras.

Iran Willing To Begin Negotiations If U. K. Pays 20 Million Pounds

Press release 787 dated October 8

The Iranian Prime Minister to Secretary Acheson

Following is an English translation of a letter addressed to Secretary Acheson from the Prime Minister of Iran, delivered to Ambassador Loy W. Henderson at Tehran on October 7, together with a translation of the enclosure, a letter of the same date from Dr. Mossadegh to Foreign Secretary Anthony Eden:

I have received the reply to my counterproposals which was sent on behalf of His Excellency, the President of the United States of America, through the Honorable, the American Ambassador in Tehran.¹

I have gratefully examined the explanations which were furnished with a view to removing the ambiguity of the joint message dated August 30, 1952 (Shahriar 8, 1331). I am most grateful for the efforts exerted by the respected authority of Your Excellency's Government toward the settlement of current disputes. However, as to the statement that "he is disappointed to learn from it that you have found unacceptable the proposals which were put forward on August 30, 1952," I think that in my counterproposals dated September 24, 1952, the reasons for the nonacceptance of the joint message were sufficiently explained. It is possible that His Excellency, the President, does not remember that 19 months have elapsed since the date of the nationalization of the oil industry throughout Iran, while in the meantime nothing useful has been accomplished toward this element of differences, and the question of determination of compensation has been entirely left to correspondence and procrastination.

The Iranian Government and nation have every day been faced with new social and economic difficulties arising from the economic blockade of Her Britannic Majesty's Government.

The greatest good will was shown and maximum possible concessions for the settlement of this question were made in my counterproposals. In order that this good will and earnest desire to bring this matter to an end may even more be fully evinced, I have, in reply to the message from His Excellency, Mr. Eden, Her Britannic Majesty's Foreign Secretary, made a proposal, a copy of which is enclosed for Your Excellency's information, to the effect that plenipotentiary representatives of the former Anglo-Iranian Oil Com-

pany be sent to Tehran to discuss the terms of the counterproposals dated September 24, 1952. With a view to alleviating the economic and financial situation of Iran, and also in order that the former company may provide a token for the fulfillment of obligations assumed by it in the past, it has been added to the said proposal that prior to the departure of the plenipotentiary representatives of the company, which will be one week from this date, it should place at the disposal of the Imperial Ministry of Finance a sum of 20 million pounds sterling on account convertible into dollars (out of the 49 million pounds), and arrange for the payment of the balance thereof upon the termination of negotiations which are anticipated to last 3 weeks.

It is not necessary to explain that during the last year and a half the Iranian Government and nation have suffered huge losses as a result of procrastination and exchange of notes and correspondence, in such a way that no fair-minded and unbiased individual would hold the Iranian Government and nation responsible for any sinister consequence and unfortunate development which may result from the maintenance of this policy.

I wish to invite Your Excellency's careful personal attention to the serious and basic implication of the preceding sentence and to existing conditions. I am certain you will agree that the prompt and immediate settlement of this matter would be a great and important contribution toward insuring the peace and public security of one of the sensitive areas of the world.

I request you to convey to His Excellency, the President, the expression of my highest consideration and to accept my sincere appreciation of the efforts he has exerted and is still exerting to find a solution for the existing differences.

DR. MOHAMMAD MOSADEQ,
Prime Minister.

October 7, 1952
(Mehrماه 15, 1331)

The Iranian Prime Minister to the British Foreign Secretary

Your note dated 5 October 1952² which recognized in its entirety the action of the Iranian Government in nationalizing its oil industry, and stated that it did not intend to revive the invalid 1933 concession agreement, nor to interfere in the administration of the Iranian oil industry and recognized the Iranian Government's freedom to sell its oil products was handed to me by the British Chargé d'Affaires in Tehran.

With due regard to the fact that the contents

¹ For text of Dr. Mossadegh's counterproposals of Sept. 24, see BULLETIN of Oct. 6, 1952, p. 532; for Secretary Acheson's reply of Oct. 5, see *ibid.*, Oct. 13, 1952, p. 569; for the joint U. S.-U. K. proposals to Iran, see *ibid.*, Sept. 8, 1952, p. 360.

² Not printed. Mr. Eden's note to Dr. Mossadegh was similar in content to that sent by Secretary Acheson on the same date.

of the message in question in the parts mentioned above are in accordance with the indisputable rights of the Iranian nation, I take cognizance of the foregoing and at the same time regret that in this message, which was in answer to my message of 2 Mehr 1331 (24 September 1952), you did not make any reference to the counterproposals dated 2 Mehr 1331 (24 September 1952). I find it necessary to inform you again that the object of my counterproposals was to avoid wasting time and to find an equitable way of investigating the claims of the former oil company and the counterclaims of the Iranian Government.

Now, I once again with the same object in view declare my readiness for discussion and settlement of this question. In order that the dispute may be definitely and clearly disposed of as soon as possible, representatives of the former AIOC [Anglo-Iranian Oil Company], invested with full powers, are invited to leave for Tehran within a week as from today's date, for the purpose of necessary discussions within the limits of the Iranian Government's counterproposals. Taking into consideration the several years delay by the former company in paying its debts to the Iranian Government and also the Iranian Government's need for immediate aid, before the departure of its representatives for Iran the former oil company should put at the disposal of the Iranian Ministry of Finance the sum of 20 million pounds convertible into dollars, out of the 49 million pounds mentioned in Article 4 of my counterproposals dated the 2nd Mehr 1331 (24 September 1952). The remainder of the above-mentioned sum should be placed to the credit of the Iranian Government at the end of negotiations, for which a maximum period of 3 weeks is envisaged.

In conclusion it is expected that the complete good will of the Iranian Government toward a just solution of differences which has been reaffirmed in this note, will be well received and made use of. Your Excellency's attention is particularly drawn to the point that the Iranian Government has always indicated the serious consequences of procrastination and delay in reaching agreed and definitive solution of the differences. I once again remind you of the impossibility of the continuation of this state of affairs and any eventuality arising from pursuit of this policy is not the responsibility of the Iranian Government.

Dr. MOHAMMAD MOSADEQ,
Prime Minister.

15 Mehr 1331.

U.S. Chargé d'Affaires Visits William Oatis

Press Conference Statement by Secretary Acheson

Press release 785 dated October 8

I wish to tell you that our chargé d'affaires at Prague, Nat B. King, visited William Oatis yesterday at Prague Police Headquarters. The Embassy's telegram on the meeting indicated that Mr. Oatis appeared in about the same physical and mental condition as when he was last seen by Ambassador Briggs. Oatis said he had not been in ill health and medical and dental care were available when necessary. He was permitted to read and write and had adequate exercise. He was benefiting from the funds deposited to his account by the Embassy for cigarettes and articles of comfort. He replied in the negative to the question whether the Embassy could supply any specific items such as cigarettes, clothing, or extra food. He said he had received the volume of Shakespeare and books on harmony and composition which had been sent him (as he requested in his meeting with Ambassador Briggs on April 30) and asked to thank Ambassador Briggs for them. He expressed a desire for books on the technical side of play production in New York, on musical instruments and their capabilities, on forms of musical composition, and on geology, meteorology, or other fields of natural science. These books will be provided and it is expected that they will be transmitted to him through the Czechoslovak Foreign Office as before.

The chargé d'affaires conveyed messages to Oatis from his wife and received messages for her. The regard and assurances of Ambassador Briggs were communicated. Mr. King said that Ambassador and Mrs. Briggs had seen Mrs. Oatis in June and that she was well and waiting for him. He inquired about the health of other members of his family. Mr. King informed Oatis of a special citation to be awarded him this month by DePauw University in a ceremony honoring a number of outstanding alumni. Oatis expressed his appreciation for the messages and information. He said that he was glad to see Mr. King and hoped to be able to see him more often. The chargé d'affaires reiterated with emphasis that Oatis had not been forgotten and that efforts to obtain his release were continuing and would continue unabated.

The Undersecretary called Mrs. Oatis as soon as this telegram was received and informed her of the report.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Demilitarization of Jammu and Kashmir

FOURTH REPORT BY FRANK P. GRAHAM, U. N. REPRESENTATIVE FOR INDIA AND PAKISTAN

U.N. doc. S/2783
Dated Sept. 19, 1952

[Excerpts]

In accordance with his letters of 29 May and 30 July 1952 to the President of the Security Council¹ the United Nations Representative for India and Pakistan wishes to inform the Security Council (a) regarding negotiations carried out in agreement with the Governments of India and Pakistan from 29 May to 16 July 1952 in New York, and (b) regarding the Conference held at Ministerial Level from 26 August to 10 September 1952 in Geneva.

This report should be read in connexion with the first, second and third reports of the United Nations Representative.²

This report is divided into three parts. Part I deals with the negotiations held in New York in United Nations Headquarters from 29 May to 16 July 1952. Part II deals with the Conference held in Geneva in the European Office of the United Nations, from 26 August to 10 September 1952. Part III sets forth certain conclusions.

CONFERENCE IN GENEVA FROM 26 AUGUST TO 10 SEPTEMBER 1952

The Conference took place in the European Office of the United Nations in Geneva from 26 August to 10 September 1952.

The delegations of India and Pakistan were composed as follows:

India: Mr. Gopalaswami Aiyangar, Minister for Defence, Leader of the Upper House

Mr. D. P. Dhar, Deputy Minister, Government of Jammu and Kashmir	Adviser
Major General K. S. Thimayya	Military Adviser
Mr. V. Shankar, Joint Secretary, Ministry of Defence	Adviser
Mr. B. L. Sharma, Principal Information Officer	Adviser
<i>Pakistan:</i> Sir Mohammad Zaf-rulla Khan, Minister for Foreign Affairs	Leader
Mr. M. Ayub	Secretary-General
Major General K. M. Sheikh	Senior Military Adviser
Brigadier Altaf Quadir	Adviser
Lt. Colonel M. Iqbal Khan	Adviser

Revised Proposals of 16 July and 2 September 1952

The Conference may be divided into two different stages. The first stage began with the opening statement by the United Nations Representative³ and the subsequent discussion of the revised proposals.⁴ Paragraph 7 of these proposals suggested brackets of 3,000 to 6,000 armed forces on the Pakistan side of the cease-fire line and an Indian army force of 12,000 to 18,000 on the Indian side of the cease-fire line. The United Nations Representative suggested that an effort be made to reach agreement within these brackets, on the number of forces to remain on each side of the cease-fire line at the end of the period of demilitarization. Joint meetings and separate conversations took place at the representative and advisory level.

As a result of these meetings and conversations, in a joint meeting on 2 September the United Nations Rep-

¹ U.N. docs. S/2649 and S/2727.

² For excerpts from Mr. Graham's previous reports to the Security Council, see BULLETIN of Nov. 5, 1951, p. 738; Jan. 14, 1952, p. 52; and May 5, 1952, p. 712.

³ Annex IV (Not printed here).

⁴ Annex III (Not printed here).

representative submitted a new draft of his proposals⁵ suggesting in paragraph 7 A (iii) and B (ii) a minimum force of 6,000 on the Pakistan side of the cease-fire line and of 18,000 on the Indian side. The United Nations Representative made it clear that in this draft, as in the draft of 16 July 1952, these figures did not include the Gilgit and Northern Scouts on the Pakistan side of the cease-fire line, and the State militia on the Indian side of the cease-fire line.

In addition to suggesting definite minimum figures, this draft, in a provisional clause attempted to accommodate the concern expressed during the conversations that the agreement should not come into effect until the programme (schedule) of demilitarization had been agreed upon in a subsequent meeting between Representatives of India and Pakistan and approved by the two Governments.

On 3 September it appeared that no agreement could be secured on the basis of the figures proposed, either within the brackets suggested for discussion in the 16 July 1952 proposals, or on definite numbers as in the 2 September 1952 proposals.

The position of the Two Governments on the main issues as stated by their Representatives was set forth in memoranda submitted to the United Nations Representative (see Annexes V and VI)⁶ and can be summarized as follows:

A. Character and quantum of forces to remain on each side of the cease-fire line

The character and quantum of forces should be considered in connexion with paragraphs 7 A (iii) and B (ii) and paragraph 11 of the revised proposals submitted by the United Nations Representative to the Governments of India and Pakistan on 16 July and 2 September 1952.

Position of India

(a) On the Indian side of the cease-fire line

(i) The Government of India maintain that they are constitutionally responsible for the defence of the State of Jammu and Kashmir which includes aid to the civil power;

(ii) According to paragraph 4 (a) of part II of the UNCIP [United Nations Commission for India and Pakistan] resolution of 13 August 1948,⁷ the Government of India must have the minimum forces required to assist the local authorities i.e. the Government of Jammu and Kashmir, on the Indian side of the cease-fire line, in the maintenance of law and order. India considers that UNCIP itself interpreted this to include adequate defence. Under paragraph 4 (a) of the UNCIP resolution of 5 January 1949⁸ the disposal of Indian and State armed forces on the Indian side of the cease-fire line has to be with due regard to security, which, according to the Government of India has a wider significance than law and order.

(iii) Having regard to these commitments of internal and external security, the responsibilities under the cease-fire agreement and the fact that Pakistan would be free

to locate its forces as it likes within its own borders, which for some length are common with the borders of the Jammu and Kashmir State and for a still greater length within practically striking distance of the cease-fire line and important areas of the Jammu and Kashmir State, the Government of India consider that a minimum force of 28,000 is required.

(iv) However, on complete disbandment and disarmament of the Azad Kashmir forces and as a further gesture towards a settlement they are prepared to effect a further reduction of 7,000 but it is impossible to reduce this absolute minimum figure of 21,000. The Government of India will under no circumstances be prepared to include the militia in these calculations. The militia is a special armed police force which is under the administration of the Jammu and Kashmir Government for its normal law and order responsibilities and is only temporarily, for the period of emergency, under the operational control of the Indian Army.

(b) On the Pakistan side of the cease-fire line

(i) The Government of India maintains that the administration of this area would, under para. 3 of Part II of the Resolution of 13 August 1949 [1948], vest in local authorities to be established or recognized for the purpose; to these local authorities under the same resolution only local administrative functions have been assigned. In the very nature of things such authorities can be in charge only of local law and order whether in the area or with reference to the cease-fire line. To give them any armed force equivalent to troops would not be consistent either with their status or with their functions and would be a violation of the sovereignty of the Union of India and the Jammu and Kashmir State. In the very nature of things, therefore, these local authorities can be entrusted only with a civil armed force.

(ii) The Government of India consider that a civil armed force of 4,000 would be on the liberal side considering the pre-aggression strength of forces policing this area. However, they would be prepared to consider an appropriate increase to provide for the needs of the Northern areas or should the United Nations Representative, under whose surveillance these forces would be operating, make out a case that this strength is inadequate.

(iii) Having regard to the functions these forces are to discharge and the conditions of a fair and impartial plebiscite, these forces should consist of an equal proportion of Azad Kashmir and other elements. The Government of India would be prepared to agree to a suitable readjustment of the armed and unarmed portion of this force.

(iv) The civil armed force should be under neutral and local officers.

Position of Pakistan

(i) The Government of Pakistan maintain that security on each side of the cease-fire line has to be ensured and neither side should be able to steal a march against the other, but the over-riding consideration is that neither India nor Pakistan should be placed in a position to intimidate the population and influence their vote in the plebiscite. India cannot be the sole judge of the steps

⁵ Annex VII (See below).

⁶ Not printed here.

⁷ U.N. doc. S/1100.

⁸ U. N. doc. S/1196.

needed to ensure the security of the State. During the plebiscite stage, the United Nations Representative and the Plebiscite Administrator, in accordance with the 5 January 1949 resolution, have the right to determine, in consultation with the authorities concerned, the final disposal of all the forces remaining in the State of Jammu and Kashmir, "such disposal to be with due regard to the Security of the State and the freedom of the plebiscite."

(ii) The Government of Pakistan consider that after the processes outlined in clause 7 of the United Nations Representative's proposals of 16 July 1952 have been carried out, there should remain on each side of the cease-fire line only the minimum forces necessary for the maintenance of law and order and the preservation of the cease-fire line. The character of the forces must be the same on both sides of the cease-fire line.

(iii) In regard to the figures established by the United Nations Representative in clause 7 of his proposals of 2 September 1952 the Government of Pakistan consider that it leaves too many soldiers in the State. Before partition, they add, the Maharaja's Government managed with less than a quarter of the forces suggested by the United Nations Representative—8,000 as against 33,500.⁹ The ratio of the forces proposed is also unfair to Pakistan considering the ratio on the date of the cease-fire.¹⁰

(iv) Subject to these observations, the Pakistan delegation was prepared to accept the proposals of 2 September 1952 of the United Nations Representative.

B. Final disposal of forces

Connected with the character and quantum of forces is the question of the functions and responsibilities of the United Nations Representative and the Plebiscite Administrator with regard to the final disposal of forces as set out in paragraph 4(a) and (b) of the UNCIP resolution of 5 January 1949.

Position of India

The Government of India contend that the term final disposal in paragraph 4(a) of the resolution of 5 January 1949 means only disposition. Moreover, once it is accepted in principle that the demilitarization contemplated under the resolutions of 13 August 1948 and 5 January 1949, should be effected in a single continuous process, no interference with the strength of forces in the State is possible at the plebiscite stage. Furthermore, if the matter of the reduction or withdrawal of forces at the plebiscite stage (according to the Pakistan Government's interpretation of 4(a) and (b) of the resolution of 5 January 1949) is brought into the demilitarization stage, the process of demilitarization must be deemed to have exhausted itself and the United Nations Representative and

⁹This figure includes 18,000 Indian and State armed forces plus 6,000 State Militia on the Indian side and 6,000 armed forces plus 3,500 Gilgit and Northern Scouts on the Pakistan side.

¹⁰India estimates that at the time of the cease-fire she had 130,000 troops in the State. Pakistan estimates that at the same time she had 81,000 troops in the State.

the Plebiscite Administrator can in the plebiscite stage deal only with the question of disposition.

Position of Pakistan

The Government of Pakistan maintain that the term "final disposal" covers reduction by withdrawal or disbandment as well as location or stationing of the armed forces concerned. If it is contended that "final disposal" means only the location or stationing of the forces then there is by the same token no provision in the UNCIP resolutions for the reduction or disbandment of the Azad Kashmir forces.

C. Induction Into Office of the Plebiscite Administrator

Position of India

The Government of India's view is that the Plebiscite Administrator can properly function only after (i) the process of demilitarization is completed and the United Nations Representative is satisfied that peaceful conditions have been restored and (ii) the local authorities are recognized and are functioning on the Pakistan side of the cease-fire line under the surveillance of the United Nations Representative. In the interests of agreement, however, the Government of India would be prepared to agree to his induction on the last day of the period of demilitarization provided that it is completed according to plan and is exhaustive so that the Plebiscite Administrator would, as regards the forces remaining in the State after demilitarization is fully implemented, be concerned only with their disposition.

Position of Pakistan

Under the UNCIP resolution of 5 January 1949, the Plebiscite Administrator has to be inducted into office as soon as the tribesmen, Pakistan volunteers and the Pakistan army and the bulk of the Indian army have withdrawn. The proposal of the United Nations Representative that the Plebiscite Administrator should be appointed not later than the last day of the demilitarization programme represents in the opinion of the Government of Pakistan a big concession to the Indian point of view. Nevertheless, Pakistan is prepared to accept it as part of the twelve truce proposals suggested by the United Nations Representative.

Draft Proposals of 4 September 1952

The second stage of the Conference began on 4 September 1952. The United Nations Representative was faced with the objections of the two Governments to essential parts of his proposals as revised on 16 July and 2 September. As he had stated before, these objections derived mainly from the different conceptions that the Governments of India and Pakistan had of their status in the State of Jammu and Kashmir,¹¹ as well as the different interpretations that they give to the UNCIP resolutions of 13 August 1948 and 5 January 1949. As it was not

¹¹For a summary of these conceptions, see Mr. Graham's first report (U. N. doc. S/2375, paragraphs 33-35 inclusive; BULLETIN of Nov. 5, 1951, p. 739).

possible under the circumstances to secure agreement on the minimum forces to be left on each side of the cease-fire line, the Representative thought it might be possible for the two Governments to agree on some principles based on the requirements of each side of the cease-fire line. These principles could then serve as the criteria for fixing the quantum of forces in the Conference of civil and military representatives contemplated in the provisional clause of the revised proposals of 2 September.

The United Nations Representative accordingly submitted a new draft proposal¹² in a joint meeting on 4 September 1952. Paragraph 7 of these proposals reads as follows:

"Agree that the demilitarization shall be carried out in such a way that at the end of the period referred to in paragraph 6 above the situation will be:

A. On the Pakistan side of the cease-fire line:

(i) the tribesmen and Pakistan nationals not normally resident therein who had entered the State for the purpose of fighting will have been withdrawn;

(ii) the Pakistan troops will have been withdrawn from the State;

(iii) large-scale disbanding and disarmament of the Azad Kashmir forces will have taken place; so that at the end of the period of demilitarization there shall be the minimum number of forces that are required for the maintenance of law and order and of the cease-fire agreement with due regard to the freedom of the plebiscite;

B. On the Indian side of the cease-fire line:

(i) the bulk of the Indian forces in the State will have been withdrawn;

(ii) further withdrawals or reductions, as the case may be, of the Indian and State armed forces remaining in the State after the completion of the operation referred to in B (i) above will have been carried out; so that at the end of the period of demilitarization there shall be the minimum number of Indian forces and State armed forces that are required for the maintenance of law and order and the cease-fire agreement, with due regard to the security of the State and the freedom of the plebiscite."

The responses of the representatives of India and Pakistan were as follows:

Position of India

The Government of India consider that "the principles enumerated in paragraphs 7 A (iii) and B (ii) of the proposals of 4 September 1952 were conceived in the right spirit having regard to the two UNCIP resolutions. As a basis for the evolution of a suitable definition of functions of forces on both sides of the cease-fire line they contained the germs of a settlement." The Government of India maintain that they cannot accept any equation of their responsibilities with the local authorities on the Pakistan side of the cease-fire line or agree to anything more than a local character to the maintenance of public order in that area by the local authorities. Constitutionally the defence of the entire State of Jammu and Kashmir is the concern of the Government of India and they alone are entitled to maintain a military armed force for the purpose. India maintains that this is the only position consistent with the assurance given by the Commission and the practice observed hitherto by the United Nations authorities of giving recognition to the

sovereignty of the Indian Union and the State which derived originally from the Instrument of Accession and has since been embodied in the Constitution of India.

Position of Pakistan

The Government of Pakistan fully agreed with the United Nations Representative that every effort should be made at the Geneva Conference itself to agree on the number and character of forces which should remain on each side of the cease-fire line at the end of the demilitarization programme. Failing this, the Conference should at least agree on the guiding principles for determining the number and character of forces. The Pakistan delegation felt that the words "with due regard to the freedom of the plebiscite" used in sub-clause 7 A (iii) and the phrase "with due regard to the security of the State and the freedom of the plebiscite" used in sub-clause 7 B (ii) of the draft proposals should be deleted. The object of this amendment was to avoid the recurrence in the Military Sub-Committee of the political controversies which had held up progress in the main Conference itself. If this proposal had been accepted, Pakistan would not have insisted on further reduction of forces under paragraph 4 (a) and (b) of the 5 January 1949 resolution, and would have been satisfied with the disposition of all remaining forces by the United Nations Representatives and the Plebiscite Administrator, in consultation with the respective authorities, and with due regard to the security of the State and the freedom of the plebiscite.

Subject to the above observations, and some drafting changes, the Pakistan delegation was prepared to accept the United Nations Representative's draft proposals of 4 September 1952.

The revised proposals of 4 September were agreed upon by the Representatives of India and Pakistan to the following extent:

(i) Paragraphs 1, 2, 3, 4, 5, 6, 7 A (i) and (ii), 7 B (i), 8, 9, 10, 12 and the provisional clause; with the redrafting of paragraphs 5, 6 and 9 as follows:

"5. Agree that the demilitarization of Jammu and Kashmir contemplated in the United Nations resolutions of 13 August 1948 and 5 January 1949 shall be effected in a single continuous process;

"6. Agree that this process of demilitarization shall be completed during a period of 90 days, starting from the date on which the programme of demilitarization referred to in paragraph 7 below is approved by the Governments of India and Pakistan, unless another period is decided upon by the two Governments.

"9. Agree that pending a final solution the territory evacuated by Pakistan troops will be administered by the local authorities under the surveillance of the United Nations. Effect shall be given to this by the time the process of demilitarization mentioned in paragraph 6 has been completed on both sides of the cease-fire line."

(ii) Concerning paragraph 12 the Representative of India accepted it with the understanding that the differences referred to the United Nations Representative should be only on technical details referring to the actual implementation of the agreed programme."

(iii) In regard to paragraphs 7 A (iii) and 7 B (ii)

¹² Annex VIII (see below).

¹³ See also U.N. doc. S/2448, paragraph 28.

the remaining difference in position of the Representatives has been stated in paragraph 25.

(iv) Paragraph 11 of the proposals was deleted to be substituted with another one to be agreed upon by the two Representatives, connected with the definite wording of paragraph 7 and with the functions and responsibilities of the United Nations Representative and the Plebiscite Administrator in accordance with paragraph 4 (a) and (b) of the UNCIP resolution of 5 January 1949.

III. CONCLUSIONS

In his third report, submitted on 22 April 1952, the United Nations Representative recommended¹⁴ that the negotiations with the Governments of India and Pakistan be continued with a view to:

"(a) Resolving the remaining differences on the twelve proposals, with a special reference to the quantum of forces to be left on each side of the cease-fire line at the end of the period of demilitarization, and

"(b) The general implementation of the resolutions of UNCIP of 13 August 1948 and 5 January 1949."

The agenda of the Geneva Conference was the implementation of the UNCIP resolutions of 13 August 1948 and 5 January 1949. The meetings began with the examination of the revised draft proposals of 16 July 1952 and continued with discussion of the subsequent redrafts.

After two weeks of discussion it was evident that agreement could not be reached at this Conference on any of the revised drafts presented for consideration. The positions of the two Governments on the main issues were such that the contemplated examination of the resolutions of 13 August 1948 and 5 January 1949, resolution by resolution and paragraph by paragraph, did not appear to be a useful further line of approach. The possibility envisaged by the United Nations Representative, in his statement of 16 July 1952,¹⁵ of discussion of any further suggestions that the representatives of the two Governments might wish to make did not arise during the Conference and no alternative suggestions were made.

The United Nations Representative, on his part, has limited himself to carry out his mediatory functions under the terms of reference¹⁶ given him by the Security Council.

The Security Council is familiar with the dispute between India and Pakistan on the State of Jammu and Kashmir. It has been before the Security Council since January 1948. The present positions of the two Governments are derived from their differing conception of their status in the State. This more than anything else is the origin of their different interpretations with regard to their commitments.

These conceptions have been stated repeatedly by both Governments during the discussions in the Security Council and during the negotiations with the UNCIP, with Gen-

eral A. G. L. McNaughton and with Sir Owen Dixon.

Growing out of the basic difference in the interpretation of the two Governments regarding their status and commitments under the 13 August 1948 and 5 January 1949 resolutions of the UNCIP, is their difference over the character and number of forces to be left on each side of the cease-fire line at the end of the period of demilitarization.

Demilitarization, as a condition for the induction into office of the Plebiscite Administrator,¹⁷ is but one of the important steps necessary in the preparation for the plebiscite.

The heart of the integrated programme for demilitarization and the plebiscite, is the induction into office of the Plebiscite Administrator. This was made a central part of the twelve proposals,¹⁸ original and revised.

The preparations for, and the holding of, the plebiscite follow upon the induction into office of the Plebiscite Administrator. His induction into office follows upon the solution of the crucial problem of the character and number of forces to remain on each side of the cease-fire line at the end of the period of demilitarization. For the solution of this problem the United Nations Representative, after submitting brackets of figures within which discussion might proceed, later suggested to the parties in the Geneva Conference definite figures. Then, alternatively, he suggested criteria for establishing definite figures on the basis of the functions and requirements on each side of the cease-fire line.

The present Representative has been instructed to secure an agreement on a plan of demilitarization under the two resolutions, and, in case of no agreement, to report the remaining differences thereon to the Council. He has made three reports to the Council which have narrowed the problem down to what appears to be the prerequisite for an agreement on a plan of demilitarization, namely, agreement on the number and character of forces to remain on each side of the cease-fire line at the end of the period of demilitarization.

The representative holds the view that for reaching an agreement on a plan of demilitarization it is necessary either:

(a) to establish the character and number of forces to be left on each side of the cease-fire line at the end of the period of demilitarization; or

(b) to declare that the forces to remain on each side of the cease-fire line at the end of the period of demilitarization should be determined in accordance with the requirements of each area, and, accordingly, principles or criteria should be established which would serve as guidance for the civil and military representatives of the Governments of India and Pakistan in the meeting contemplated in the Provisional Clause of the revised proposals.

¹⁷ Admiral Chester Nimitz has been designated for this position.

¹⁸ For text of Mr. Graham's original 12 proposals and of his Oct. 18, 1951 statement before the Security Council analyzing them, see BULLETIN of Nov. 5, 1951, p. 740.

¹⁴ BULLETIN of May 5, 1952, p. 713.

¹⁵ Annex II (not printed here).

¹⁶ BULLETIN of Nov. 5, 1951, p. 738.

ANNEX VII

2 September 1952

Proposal of United Nations Representative based upon his twelve proposals

The Governments of India and of Pakistan

1. Reaffirm their determination not to resort to force and to adhere to peaceful procedures and specifically pledge themselves that they will not commit aggression or make war, the one against the other, with regard to the question of Jammu and Kashmir;
2. Agree that each Government, on its part, will instruct its official spokesmen and will urge all its citizens, organizations, publications and radio stations not to make warlike statements or statements calculated to incite the people of either nation to make war against the other with regard to the question of Jammu and Kashmir;
3. Reaffirm their will to observe the cease-fire effective from 1 January 1949 and the Karachi Agreement of 27 July 1949;
4. Reaffirm their acceptance of the principle that the question of the accession of the State of Jammu and Kashmir to India or Pakistan will be decided through the democratic method of a free and impartial plebiscite under the auspices of the United Nations;
5. Agree that subject to the provisions of paragraph 11 below the demilitarization of the State of Jammu and Kashmir contemplated in the UNCER resolutions of 13 August 1948 and 5 January 1949 shall be effected in a single, continuous process;
6. Agree that this process of demilitarization shall be completed during a period of 90 days, starting from the date of the entrance into effect of this agreement, unless another period is decided upon by the Governments of India and Pakistan;
7. Agree that the demilitarization shall be carried out in such a way that at the end of the period referred to in paragraph 6 above the situation will be:

A. On the Pakistan side of the cease-fire line:

- (i) the tribesmen and Pakistan nationals not normally resident therein who had entered the State for the purpose of fighting will have been withdrawn;
- (ii) the Pakistan troops will have been withdrawn from the State;
- (iii) large-scale disbanding and disarmament of the Azad Kashmir forces will have taken place; so that at the end of the period of demilitarization there shall be an armed force of 6,000;

B. On the Indian side of the cease-fire line:

- (i) the bulk of the Indian forces in the State will have been withdrawn;
- (ii) further withdrawals or reductions, as the case may be, of the Indian and State armed forces remaining in the State after the completion of the operation referred to in B (i) above will have been carried out; so that at the end of the period of demilitarization there shall be an Indian Army force of 18,000 including State armed forces.
8. Agree that the demilitarization shall be carried out in such a way as to involve no threat to the cease-fire agreement either during or after the period referred to in paragraph 6 above;
9. Pending a final solution the territory evacuated by the Pakistan troops will be administered by the local authorities under the surveillance of the United Nations. The local authorities shall undertake the fulfilment of such duties as are necessary for the observance within that territory of the provisions of the Karachi Agreement of 27 July 1949;
10. Agree that the Government of India shall cause the Plebiscite Administrator to be formally appointed to office not later than the final day of the demilitarization period referred to in paragraph 6 above;
11. Agree that the completion of the programme of de-

militarization referred to in the provisional clause below will be without prejudice to the functions and responsibilities of the United Nations Representative and the Plebiscite Administrator with regard to the final disposal of forces as set forth in paragraph 4 (a) and (b) of the 5 January 1949 resolution;

12. Agree that any differences regarding the programme of demilitarization contemplated in the provisional clause will be referred to the Military Adviser of the United Nations Representative, and, if disagreement continues, to the United Nations Representative, whose decision shall be final.

PROVISIONAL CLAUSE

This agreement shall enter into effect when the Governments of India and Pakistan have approved a programme of demilitarization in conformity with paragraphs 5, 6, 7 and 8 above, the draft of such programme to be drawn up in meetings between the representatives of the Governments of India and of Pakistan assisted by their Military Advisers under the auspices of the United Nations. The first meeting shall take place within two weeks after the signature of the above agreement.

ANNEX VIII

4 September 1952

Proposal of United Nations Representative based upon his twelve points

The Governments of India and Pakistan

1. Reaffirm their determination not to resort to force and to adhere to peaceful procedures and specifically pledge themselves that they will not commit aggression or make war, the one against the other, with regard to the question of Jammu and Kashmir;
2. Agree that each Government, on its part, will instruct its official spokesmen and will urge all its citizens, organizations, publications and radio stations not to make warlike statements or statements calculated to incite the people of either nation to make war against the other with regard to the question of Jammu and Kashmir;
3. Reaffirm their will to observe the cease-fire effective from 1 January 1949 and the Karachi Agreement of 27 July 1949;
4. Reaffirm their acceptance of the principle that the question of the accession of the State of Jammu and Kashmir to India or Pakistan will be decided through the democratic method of a free and impartial plebiscite under the auspices of the United Nations;
5. Agree that the demilitarization of the State of Jammu and Kashmir contemplated in the UNCER resolutions of 13 August 1948 and 5 January 1949 as set forth in paragraph 7 below, shall be effected in a single continuous process;
6. Agree that this process of demilitarization shall be completed during a period of 90 days, starting from the date of the entrance into effect of this agreement, unless another period is decided upon by the Governments of India and of Pakistan;
7. Agree that the demilitarization shall be carried out in such a way that at the end of the period referred to in paragraph 6 above the situation will be:

A. On the Pakistan side of the cease-fire line:

- (i) the tribesmen and Pakistan nationals not normally resident therein who had entered the State for the purpose of fighting will have been withdrawn;
- (ii) the Pakistan troops will have been withdrawn from the State;
- (iii) large-scale disbanding and disarmament of the Azad Kashmir forces will have taken place; so that at the end of the period of demilitarization there shall be the minimum number of forces that are required for the maintenance of law and order and of the cease-fire agreement, with due regard to the freedom of the plebiscite;

B. On the Indian side of the cease-fire line:

(i) the bulk of the Indian forces in the State will have been withdrawn;

(ii) further withdrawals or reductions, as the case may be, of the Indian and State armed forces remaining in the State after the completion of the operation referred to in B (i) above will have been carried out; so that at the end of the period of demilitarization there shall be the minimum number of Indian forces and State armed forces that are required for the maintenance of law and order and of the cease-fire agreement, with due regard to the security of the State and the freedom of the plebiscite.

8. Agree that the demilitarization shall be carried out in such a way as to involve no threat to the cease-fire agreement either during or after the period referred to in paragraph 6 above;

9. Agree that pending a final solution the territory evacuated by the Pakistan troops will be administered by the local authorities under the surveillance of the United Nations;

10. Agree that the Government of India shall cause the Plebiscite Administrator to be formally appointed to office not later than the final day of the demilitarization period referred to in paragraph 6 above;

11. Agree that arrangements for the plebiscite shall be completed after the United Nations Representative declares that he is satisfied that peaceful conditions have been restored in the State;

12. Agree that any differences regarding the programme of demilitarization contemplated in the provisional clause will be referred to the Military Adviser of the United Nations Representative, and, if disagreement continues, to the United Nations Representative, whose decision shall be final.

PROVISIONAL CLAUSE

This agreement shall enter into effect when the Governments of India and Pakistan have approved a programme of demilitarization in conformity with paragraphs 5, 6, 7 and 8 above, the draft of such programme to be drawn up in meetings between the representatives of the Governments of India and of Pakistan assisted by their Military Advisers under the auspices of the United Nations. The first meeting shall take place within two weeks after the signature of the above agreement.

**Supplementary Agenda Items
for Seventh General Assembly¹**

U.N. doc. A/2193
Dated Sept. 24, 1952

1. Question of an appeal to the Powers signatories to the Moscow Declaration of 1 November 1943, for an early fulfillment of their pledges toward Austria: item proposed by Brazil.

2. Application of Japan for membership in the International Civil Aviation Organization: item proposed by the Secretary-General.

3. The question of Morocco: item proposed by Afghanistan, Burma, Egypt, India, Indonesia, Iran, Iraq, Lebanon, Pakistan, the Philippines, Saudi Arabia, Syria and Yemen.

4. The question of race conflict in South Africa resulting from the policies of *apartheid* of the Government of the Union of South Africa: item proposed by Afghanistan, Burma, Egypt, India, Indonesia, Iran, Iraq, Lebanon, Pakistan, the Philippines, Saudi Arabia, Syria and Yemen.

¹ For the Provisional Agenda, see BULLETIN of Sept. 1, 1952, p. 334.

5. The Conciliation Commission for Palestine and its work in the light of the resolutions of the United Nations: item proposed by Egypt, Iraq, Lebanon, Saudi Arabia, Syria and Yemen.

6. Violation by Arab States of their obligations under the Charter, United Nations resolutions and specific provisions of the General Armistice Agreements concluded with Israel, requiring them to desist from policies and practices of hostility and to seek agreement by negotiation for the establishment of peaceful relations with Israel: item proposed by Israel.

7. Administration of the United Nations: item proposed by the Secretary-General.

**U.S. Delegations
to International Conferences**

Petroleum Committee (ILO)

The Department of State announced on October 10 (press release 798) that the U.S. delegation to the fourth session of the Petroleum Committee of the International Labor Organization (ILO), which will be held at Scheveningen, Netherlands, October 14-25, 1952, will be as follows:

REPRESENTING THE GOVERNMENT OF THE UNITED STATES

Delegates

John Edward Brantly, Assistant Deputy Administrator for Foreign Petroleum Operations, Department of the Interior

Robert R. Behlow, Regional Director, Bureau of Labor Statistics, Department of Labor, New York

Adviser

John W. Piercey, Labor Attaché, American Embassy, The Hague, Netherlands

REPRESENTING THE EMPLOYERS OF THE UNITED STATES

Delegates

John C. Quilty, Manager, Industrial Relations Department, Shell Oil Company, New York

H. W. Jones, Manager, Industrial Relations Department, Atlantic Refining Co., Philadelphia

Advisers

C. Francis Beatty, Director, Socony-Vacuum Oil Company, Inc., New York

M. H. Diaz, Legal Staff, Gulf Oil Corp., Tampas, Mexico

W. M. Roberts, Director, Industrial Relations, Standard Oil Company of California, San Francisco

REPRESENTING THE WORKERS OF THE UNITED STATES

Delegates

Lloyd A. Haskins, International Representative, Oil Workers International Union, Congress of Industrial Organizations, District No. 5, Alexandria

James A. Garrett, International Union of Operating Engineers, Local 351, American Federation of Labor, Phillips, Tex.

The Petroleum Committee is one of eight industrial committees established by ILO to give continuing and close attention to economic and social problems in certain industries. The other industrial committees are concerned with building, civil engineering, and public works; chemicals; coal mines; inland transport; iron and steel; metal trades; and textiles. The United States is represented on each of these committees.

Delegates to the forthcoming session of the Petroleum Committee will consider (1) a general report on the actions taken in various countries in

the light of the conclusions reached at the first three sessions; (2) principles and methods used in determining wages in the petroleum industry; and (3) social services in the industry. Among the technical subjects with which the Committee has dealt at its previous sessions (February 3-12, 1947, held at Los Angeles; November 10-19, 1948, at Geneva; and October 24-November 3, 1950, at Geneva) have been the recruitment and training of employees for the petroleum industry, safety in the petroleum industry, industrial relations, and social conditions in the petroleum industry.

The United States in the United Nations

[October 14-18, 1952]

The seventh session of the General Assembly opened on October 14 in the new United Nations Headquarters buildings. After Luis Padilla Nervo (Mexico), President of the sixth session, called the members to order, Mayor Vincent R. Impellereri of New York City made a welcoming address. He said in part:

I assure you that the people of this city have a deep-seated faith in the ability of men of all nations, all creeds, and all walks of life to reach a common understanding—without subsequent rancor, recrimination, or resort to force of arms.

It was this kind of faith which prompted us to urge upon you the selection of our great metropolis as your permanent home. . . . As we view the spacious and imposing panorama that has emerged from the welter of 3 years' construction work, we feel well rewarded.

Ambassador Warren R. Austin (U.S.), chairman of the Headquarters Advisory Committee, paid tribute to the craftsmen who had planned and built the "noble Capitol for Universal Peace." (Excerpts from his statement will appear in the BULLETIN of October 27.)

After a welcome by Secretary-General Trygve Lie, Dr. Padilla Nervo addressed the delegates in his capacity as temporary chairman. The value of the United Nations had been proved in the social and economic fields, and by its activities in bettering human existence it was "sowing the seeds of a peace that will arise one day from human welfare and wisdom." But in the field of political accomplishment, the credit side this year was "not very heartening." All the great questions pending before the Assembly had either become acute or were "hopeless of immediate solution." After the longest and most patient

negotiations recorded in history, the Korean question was again being "debated by guns." German unification and the treaty with Austria were "in suspense."

If only the capitalist world and the Communist world could convince each other of one thing, that neither of the two plans the destruction of the other, the suspicion that divides them would be eliminated.

In the balloting for President of the seventh session, Lester B. Pearson (Canada) received 51 votes and was declared elected.

During the afternoon session the General Assembly elected chairmen of the six main committees and the *Ad Hoc* Political Committee, as follows:

First (Political and Security) Committee—Joao Carlos Muniz (Brazil)
Ad Hoc Political Committee—Alexis Kyrrou (Greece)
 Second (Economic and Financial) Committee—Jiri Nosek (Czechoslovakia)
 Third (Social, Humanitarian, and Cultural) Committee—Amjad Ali (Pakistan)
 Fourth (Trusteeship) Committee—Rodolfo Munoz (Argentina)
 Fifth (Administrative and Budgetary) Committee—Carlos P. Romulo (Philippines)
 Sixth (Legal) Committee—Wan Waithayakon (Thailand)

Secretary Acheson's Address

Secretary Acheson delivered his opening address as chairman of the United States delegation when general debate began on October 16. (The complete text will appear in the BULLETIN of

October 27.) He outlined three groups of problems confronting the Assembly: those concerning security, the fulfillment of national and individual aspirations, and the economic progress of both individuals and communities. On the first, he asserted that the solidarity of the nations supporting the Charter was absolutely essential in the field of collective security. The responsibility to cooperate should be reflected not only in readiness to participate in United Nations action but also in other ways, such as regional and collective self-defense arrangements, sanctioned by the Charter, he said.

It is in Korea that our whole structure of collective security is meeting its supreme test. It will stand or fall upon what we do there.

The United Nations fight in Korea is the fight of every nation and every individual who values freedom. Had our nerve failed at the time of this ruthless act of aggression, these new buildings in which we meet today might already be the empty husks of our defeated hopes for this organization. . . . Had the Republic of Korea been allowed to fall to the aggressor, the Delegates to these Assemblies would now be looking to their left and to their right and asking which would be the next victim on the aggressor's list.

Korea is a test, not only of our courage at the initial moment of decision, but even more of the firmness of our will, the endurance of our courage. The aggressor, having defied the United Nations and lost, having found himself pushed back behind his initial line of attack, now counts for victory upon those of faint heart who would grow weary of the struggle. . . .

We must convince the aggressor that continued fighting in Korea will cost him more than he can gain. This means the training and commitment of troops; it means food, clothing, matériel, money. I urge every member of the United Nations to look to its responsibility to support the common action in Korea and to participate in the reconstruction of that unhappy land.

The Assembly, he said, would have the opportunity to review the record of the armistice negotiations and, by action, to demonstrate to the aggressor that "we are united in purpose and firm in resolve."

Soviet Delegate Speaks

Andrei Vyshinsky (U.S.S.R.) addressed the delegates on October 18. Excerpts from his statements follow:

. . . . On Thursday, Mr. Acheson attempted to describe United States intervention in Korea as a fight of the United Nations against aggression. He repeated the fully discredited version that the war imposed by the American interventionists on the Korean people was defensive and did not, he said, pursue any aggressive purposes. In truth, it does pursue aggressive objectives.

As regards the question how long the war in Korea will continue, Mr. Acheson answered, "we must fight as long as it will be necessary to put an end to aggression and to restore peace and security in Korea."

All the terms that have so far been offered by the United States Command in Korea can only be called a flagrant violation of all the rules of fairness and equity. . . .

This applies to the United States demand for the so-called screening of war prisoners and the placing of them in categories, with some to be sent home by the

United States Command and others to be retained in captivity. . . .

It is clear that the United States ruling circles are working against any armistice as their purpose is to stall these negotiations in endless talk so as to prevent the conclusion of an armistice in Korea. They have fished out a pretext, the question of the exchange of war prisoners. . . .

They did not shrink from the flagrant violation of the Geneva Convention of 1949, particularly Articles 118 and 119, which call upon all warring parties without any reservations to ensure the return to their homeland of all war prisoners except those who are *sub judice* for alleged war crimes.

Although the convention is signed by the United States representative they did not hesitate to use any measures and all forms of pressure and force calling for the so-called screening of war prisoners, forcing them to make statements about their unwillingness to go home. The protests of the Korean and Chinese war prisoners against such willful and illegal action of the United States command have been suppressed, as happened in the Koje Island camp. The suppression in Koje Island took place by way of extermination and this is still going on every day in United States camps for war prisoners the task of solving the Korean question stands squarely on the agenda of the peace-loving peoples of the world. . . . They demand that imperialistic aggressors should be curbed, and they are standing up to the United States' aggressive policy. . . .

We are warmly in favor of the proposal of our Polish colleague, which calls upon the General Assembly to recommend to the warring parties that they put an end to military activities on land, at sea and in the air. We warmly support the proposal of the Polish delegation for the repatriation of all war prisoners in accordance with established international stipulations.

We warmly support the proposal of the Polish delegation for the withdrawal of foreign troops from Korea, including the Chinese volunteers, this to be done within a period of two or three months. We warmly support the Polish proposal for the peaceful settlement of the Korean question on the principle of the unification of Korea, to be carried out by the Koreans themselves under the supervision of a commission on which the parties directly concerned and also other states that did not participate in the Korean war will be represented. . . .

The United States aggressor has sought to utilize Korea as a proving ground for the effectiveness of death-dealing bacteria. Thus, the Soviet Union delegation deems it essential to stress in particular the significance of the Polish proposal which calls upon all states which have so far failed to adhere to the Geneva protocol of 1925, or to ratify that protocol, to so do. That applies first and foremost to the United States of America, which still obstinately refuses to ratify the Geneva Protocol. . . .

. . . . If one examines the work of the so-called Disarmament Commission, created at the sixth session of the General Assembly, one cannot fail to note that, far from bending its efforts toward the reduction of armaments and prohibition of the atomic weapon, the delegation of the United States bent every effort toward legalizing the further increase of armaments and toward furthering, in the interests of the United States, the stockpiling of atomic bombs. . . .

The Soviet Union struggles for peace by its methods which are based on the principle of respect for independence; sovereignty; the equality of states; mutual support of effective mutual assistance without ulterior motives for the purpose of attaining new achievements in the cause of strengthening new regimes of peace, democracy and socialism; for a sincere, honest and decent peaceful co-operation; and for mutual defense of the interests of all countries and peoples of the Soviet Union, which interests are indistinguishable from the interests of all people of the world. . . .

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Technical Cooperation. Treaties and Other International Acts Series 2409. Pub. 4572. 9 pp. 5¢.

Agreement between the United States and Chile—Signed at Santiago Jan. 16, 1951; entered into force July 27, 1951.

Technical Cooperation. Treaties and Other International Acts Series 2413. Pub. 4592. 4 pp. 5¢.

Agreement between the United States and Iraq—Signed at Baghdad Apr. 10, 1951; entered into force June 2, 1951.

Treaty of Peace With Japan. Treaties and Other International Acts Series 2490. Pub. 4613. 173 pp. 40¢.

Signed at San Francisco Sept. 8, 1951; entered into force Apr. 28, 1952.

Health and Sanitation, Cooperative Program in Uruguay. Treaties and Other International Acts Series 2408. Pub. 4620. 5 pp. 5¢.

Agreement between the United States and Uruguay—Signed at Montevideo July 21, 26, and 27, 1949; entered into force July 27, 1949.

Unemployment Insurance Benefits. Treaties and Other International Acts Series 2452. Pub. 4621. 4 pp. 5¢.

Agreement between the United States and Canada—Signed at Ottawa July 31 and Sept. 11, 1951; entered into force Sept. 11, 1951; operative retroactively from Apr. 1, 1951.

Telecommunications, Operation of Certain Radio Equipment or Stations. Treaties and Other International Acts Series 2508. Pub. 4622. 6 pp. 5¢.

Convention between the United States and Canada—Signed at Ottawa Feb. 8, 1951; entered into force May 15, 1952.

North Atlantic Treaty Organization: Its Development and Significance. General Foreign Policy Series 75. Pub. 4630. 50 pp. 20¢.

Pamphlet giving the origin and organization of NATO; questions and answers pertaining to NATO and the text of the treaty.

Claims, Operation of Smelter at Trail, British Columbia. Treaties and Other International Acts Series 2412. Pub. 4635. 2 pp. 5¢.

Agreement between the United States and Canada—Signed at Washington Nov. 17, 1949, and Jan. 24, 1950; entered into force Jan. 24, 1950.

Technical Cooperation. Treaties and Other International Acts Series 2414. Pub. 4636. 7 pp. 5¢.

Agreement between the United States and Haiti—Signed at Port-au-Prince May 2, 1951; entered into force May 2, 1951.

Technical Cooperation, Cooperative Program of Agriculture and Livestock. Treaties and Other International Acts Series 2430. Pub. 4640. 14 pp. 5¢.

Agreement between the United States and Chile—Signed at Santiago Jan. 16, 1951; entered into force Jan. 16, 1951.

Teaching About the United Nations in the Schools and Colleges of the United States in 1950 and 1951. International Organization and Conference Series III, 83. Pub. 4649. 29 pp. 10¢.

A report prepared for the U. S. National Commission for UNESCO by the U. S. Office of Education, Federal Security Agency.

Guide to the United States and the United Nations. International Organization and Conference Series III, 84. Pub. 4653. 21 pp. 15¢.

Chronology of the United States and the United Nations from 1941 up to June 26, 1952.

THE FOREIGN SERVICE

Appointment of Officers

Harold Shantz as Minister to Rumania, effective September 27.

George Wadsworth as Ambassador to Czechoslovakia, effective October 8.

Check List of Department of State Press Releases: Oct. 6-10, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D.C.

Press releases issued prior to Oct. 6 which appear in this issue of the BULLETIN are Nos. 762 of Sept. 26 and 776 of Oct. 3.

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781	10/6	Acheson: New Soviet tactics
782	10/3	Departure of Sir Oliver Franks
*783	10/7	Exchange of persons
†784	10/7	Seminar for foreign students
785	10/8	Acheson: Oatis case
786	10/8	Acheson: Armistice negotiations
787	10/8	Letter to Acheson from Mossadegh
*788	10/8	Acheson: Koreans for front lines
789	10/8	Acheson: Reply to Sen. Knowland
790	10/8	U.S. note to U.S.S.R. on Kennan
791	10/9	Wadsworth: Amb. to Czechoslovakia
†792	10/9	Burma: Point Four Program
†793	10/9	Andrews: Farmer in world picture
†794	10/9	Japanese war criminals board
*795	10/9	Thorpe: Chairman of GATT delegation
796	10/10	Anderson: European problems
797	10/10	Compton: Paving a road to peace
798	10/10	Petroleum committee (ILO)
*799	10/10	Awards to newsmen
†800	10/10	U.S.-Japan: Alaskan forest products
†801	10/10	Netherlands transfer of accounts
†802	10/10	Movement of migrants

†Held for a later issue of the BULLETIN.

*Not printed.

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